

## **ADV Part 2A: Firm Brochure**

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New Holland Capital, LLC

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This brochure provides information about the qualifications and business practices of New Holland Capital, LLC (“NHC” or the “Firm”). If you have any questions about the contents of this brochure, please contact Teresha Miller, Chief Compliance Officer, at 212-600-9234 or [tmiller@newhollandcapital.com](mailto:tmiller@newhollandcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

NHC is registered as an investment adviser with the SEC. Registration with the SEC does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. This Brochure contains certain material information in the manner and format promulgated by the SEC. Additional information, which must be read and considered in conjunction with this Brochure, is found in other documents, including, as applicable, offering memoranda and/or investment management/advisory agreements.

Additional information about New Holland Capital is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2. Material Changes**

We do not believe any of the changes to this brochure that have been made since our last annual update dated March 30, 2023, are material as it relates to our advisory services, but there has been a material update with respect to a strategic partnership entered into between NHC and affiliates of AGF Management Limited (“AGF”), as described below.

On February 9, 2024, affiliates of AGF made a strategic investment in NHC.

Under the terms of the arrangement, AGF made an initial strategic investment in the form of a note convertible into a 24.99% economic interest in NHC. The arrangement also provides AGF with the option to subsequently increase its ownership stake. Additionally, NHC will retain operational independence and the NHC’s leadership team will continue to manage the day-to-day investment and business operations of NHC.

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#### **Item 4. Advisory Business**

New Holland Capital, LLC (“NHC”) is a Delaware limited liability company that was formed on January 19, 2006. NHC began providing both discretionary and non-discretionary investment advisory services in 2020, including services provided to certain pooled investment vehicles, customized funds, and institutional investors (collectively, the “NHC Clients”) as more fully described below. NHC generally does not provide investment advice about specific securities but allocates NHC Clients’ assets to pooled investment vehicles or separate accounts managed by unaffiliated fund managers or trading advisors implementing various strategies as discussed in Item 8.

##### *Non-Discretionary Services*

NHC provides certain limited non-discretionary advisory services to other registered investment advisers, family offices and high net worth investors, and a US University Endowment (the “Non-Discretionary Clients”). Services provided to the Non-Discretionary Clients are in accordance with the investment advisory agreement among NHC and the respective Non-Discretionary Clients (the “Non-Discretionary Advisory Agreements”).

##### *Discretionary Services*

NHC provides discretionary services to the following pooled investment vehicles (collectively the “Pooled Vehicles”) that are privately placed and not registered under the Investment Company Act of 1940, as amended. The Pooled Vehicles include:

- New Holland Tactical Alpha Fund LP, a Cayman Islands exempted limited partnership (together with its feeder funds and affiliated trading entities, “TAF”) seeks to maintain a leveraged investment portfolio that is intended to produce attractive risk-adjusted returns with low beta to traditional asset classes.
- New Holland Special Opportunities Fund LP, a Delaware limited partnership (together with its feeder fund, “SOF”), has an investment strategy focused on constructing an investment portfolio consisting of less liquid, credit-like opportunities, with medium duration.

NHC Clients also includes two customized private funds (collectively, the “Customized Funds”), one created at the request of a single European investment adviser (the “Client Adviser”) and the other, created at the request of a Canadian Pension, to pursue customized investment strategies which NHC manages on a discretionary basis. The terms of the Discretionary Services are set forth in the governing documents of each respective Customized Fund (the “Governing Documents”). The Customized Funds are currently invested in one or more of the Pooled Vehicles. Additionally, in furtherance of the investment objectives of one of the Customized Funds, we also advise certain subsidiary special purpose vehicles (“SPVs”), of such Customized Fund through which such Customized Fund invests. The SPVs may include vehicles that will

directly engage third party trading advisors to invest all or a portion of such vehicle's assets (such fund, a "Managed Account Platform Fund"). NHC serves as the investment manager of these SPVs and Managed Account Platform Funds and is responsible for the selection of each investment made by an SPV and trading advisor engaged by each Managed Account Platform Fund. TAF is also a Managed Account Platform Fund.

Additionally, NHC provides discretionary investment advisory services to a large United States-based public pension fund (the "Pension Client") via a separately managed account arrangement (the "SMA").

#### *Additional Activities and Services*

Either in connection with its services to its clients or for their own accounts, NHC principals and other personnel serve on advisory boards or committees to Underlying Managers (as defined below).

NHC was formed by a team that was performing the same function as employees of a subsidiary of the Client Adviser.

NHC is the wholly owned subsidiary of NHC Intermediate Partners, LLC a subsidiary of NHC Partners, LLC.

Certain NHC affiliates, principals and employees (collectively, "NHC Persons") are directly invested in TAF and an affiliate of NHC invests in the Customized Fund created for the Canadian Pension. See Item 5 for additional information on fees and compensation as they relate to these investments.

As of February 28, 2024, NHC advised approximately \$10,854,500,000 in assets on a discretionary. Assets of approximately \$609,640,000 for our Non-discretionary Clients do not meet the SEC's definition of "regulatory assets under management" and therefor are not included in the figures above.

## Item 5. Fees and Compensation

NHC receives both asset-based and performance-based compensation (collectively, the “Advisory Fees”). There are significant differences between the amounts and structures of the Advisory Fees that NHC receives with respect of each of the Non-Discretionary Services and the Discretionary Services.

### *Advisory Fees and Expenses related to the Non-Discretionary Services*

NHC’s fees with respect to the Non-Discretionary Services are set forth in each Advisory Agreement. NHC receives a fee with respect to the limited non-discretionary services for the Non-Discretionary Clients, as set forth in the respective Non-Discretionary Advisory Agreement. The fee is calculated by NHC and paid by the Non-Discretionary Clients. NHC has no ability to deduct fees from the Non-Discretionary Clients.

### *Advisory Fees and Expenses Related to the Discretionary Services*

NHC’s fees with respect to the Customized Funds are set forth in their respective Governing Documents. Certain NHC Persons also maintains an investment in the Customized Fund created for the Canadian Pension. These fees consist of a fee calculated as a percentage of the overall net asset value of the Customized Fund, as well as a fee or allocation, paid to an affiliate of NHC, that is paid based on the realized and unrealized performance of the Customized Fund over an agreed-upon benchmark. NHC calculates the Advisory Fees for each Customized Fund and instructs the Customized Funds administrator to make payment as set forth in their respective Governing Documents. NHC currently waives all fees or allocations with respect to investments made by NHC Persons alongside the Canadian Pension's customized fund. As described above, NHC also serves as the investment manager of the Managed Account Platform Funds and Pooled Vehicles. In connection therewith, NHC earns no additional compensation, but rather is compensated in connection with a Customized Funds’ investment in the Managed Account Platform Funds or Pooled Vehicles.

In addition to the Advisory Fees, Customized Funds bears their respective expenses (and any third party expenses incurred by NHC on behalf of such Customized Fund) including expenses incurred in connection with any due diligence expenses relating to transactions, and the sourcing, identifying, evaluating, structuring, negotiating, making, purchasing, holding, settling, custody, operating, managing, monitoring, financing, or disposing of such Customized Funds’ investments, third-party costs related to the management or administration of such Customized Fund, accounting, custodial, brokerage, valuation, legal and reporting expenses, audit and tax preparation expenses, costs of travel, costs of any liability insurance of NHC, other professional costs, costs and expenses of prospective or potential investments which are not ultimately made, expenses related to taxes and tax preparation and filing and other expenses as detailed in the

Governing Documents. NHC does not charge any in-house or internal expenses to the Customized Funds.

NHC's fees with respect to the SMA are set forth in the investment management agreement ("IMA") governing the SMA. These fees consist of a fee calculated as a percentage of the overall net asset value of the SMA, as well as a fee that is paid based on the realized performance of the SMA over an agreed-upon benchmark. NHC has no ability to deduct fees from the SMA nor does NHC receive any other compensation. Additionally, the Pension Client has agreed in the IMA to reimburse NHC for certain out of pocket expenses NHC incurs in connection with the IMA.

NHC also receives a management fee for the services it provides to the Pooled Vehicles. The TAF management fee is calculated as a percentage of TAF's net asset value. Generally, NHC receives a management fee that is paid monthly in advance of up to 1.25% per annum of the net asset value. NHC currently waives management fees in respect of investments by the Customized Funds and certain NHC Persons in TAF and may in the future determine to waive, reduce, or differently calculate such fees for other investors as well. An affiliate of NHC also generally receives an incentive allocation of up to 16% at the end of each fiscal year or as of the date of redemption with respect to an investor's investment, subject to the satisfaction of any "high-water mark" provision, and in some circumstances a "hurdle rate" as described in the Offering Memoranda of TAF. No incentive allocation is received by NHC in connection with the investments made by the Customized Funds or NHC principals and employees. The SOF management is calculated as a percentage of the net asset value of the vehicle. Generally, NHC receives a management fee of up to 1.00% per annum to be paid quarterly in arrears based on the prior quarter end's value. NHC currently waives management fees in respect of investments by the Customized Funds in SOF. Additionally, an affiliate of NHC may in the future receive performance-based compensation in connection with SOF.

Pooled Vehicles incur all expenses in connection with the offering of interests to their investors. Expenses borne by the Pooled Vehicles includes management fees, performance-based fees and allocations, and other expenses incurred in connection with any due diligence expenses relating to transactions, and the sourcing, identifying, evaluating, structuring, negotiating, making, purchasing, holding, settling, custody, operating, managing, monitoring, financing, or disposing of such Pooled Vehicles' investments, third-party costs related to the management or administration of such Pooled Vehicle, accounting, custodial, brokerage, valuation, legal and reporting expenses, audit and tax preparation expenses, cost of travel, costs of any liability insurance, other professional costs, costs and expenses of prospective or potential investments which are not ultimately made, investment-related research and data service expenses, expenses related to taxes and tax preparation and filing and other expenses as detailed in the respective Offering Memorandum of each Pooled Vehicle. Except as disclosed in the Offering Memorandum of a Pooled Vehicle or as otherwise agreed with an investor, NHC does not charge

any “overhead” expenses, including for example, rent and employee compensation and benefits to the Pooled Vehicles. Pooled Vehicles will also bear all costs and expenses in relation to the organization of the vehicle, the initial structuring, formation, syndication and closing of the vehicle, and the offering of interests, as applicable.

*Fees Payable to Underlying Funds and Underlying Managers*

In connection with both the Non-Discretionary Services and the Discretionary Services, the NHC Clients invest in other pooled or captive investment vehicles (“Underlying Funds”) whose managers (including any trading advisor engaged to provide services to a Managed Account Platform Fund, “Underlying Managers”) are generally not related to NHC and typically charge an asset-based fee as well as performance-based compensation, all of which vary and are specific to each Underlying Fund or Underlying Manager. While it does not currently do so, NHC may elect in the future to allocate some or all of the assets in TAF to Underlying Managers that are employed by, or affiliated with, NHC, and in such case, such affiliated portfolio management teams will receive (and investors in TAF will indirectly bear) additional management fees and/or performance-based compensation for their services. Absent a specific agreement with an investor to the contrary, NHC is not expected to rebate any such fees or compensation, nor will such amounts offset the total amount of managements fees or incentive allocation otherwise received by NHC described above. The NHC Clients also indirectly bear their pro rata portion of the brokerage, custodial, administrative, legal, accounting, and other expenses of the Underlying Funds.



## **Item 6. Performance-Based and Side-By-Side Management**

As described in Item 5 above, NHC (or an affiliate) expects to receive its performance-based allocation or fee, as applicable, from certain of its Clients.

The fact that a significant portion of NHC's compensation (and its investment professionals' compensation) is performance-based creates an incentive for NHC to recommend investments on behalf of the NHC Clients that are riskier or more speculative than would be the case in the absence of such compensation.

Because NHC Clients are subject to different levels of performance based-compensation (including differences in hurdle rates and method of calculation and payment of performance-based compensation), NHC may also have an incentive to allocate certain investment opportunities to one client over another because we may stand to gain greater compensation by favoring one client over the other. We have adopted detailed investment allocation policies and procedures designed to provide fair and equitable allocation of investment opportunities to all clients. Certain clients may agree that they have no rights to receive allocations of certain types of investment opportunities. NHC takes any such agreement into account when making decisions regarding allocations of investment opportunities.

In some cases, Underlying Managers may from time to time make us aware of opportunities to co-invest in specific underlying investments. These co-investment opportunities are allocated at our discretion, but such allocation decisions will generally take into account a variety of factors including for example, the appropriateness of the investment for a particular client, the target size, and the ability of a client to complete the investment within the required timeframe.

NHC Clients, as well as NHC and its related persons acting for their own accounts, have entered into agreements under which such NHC Clients, NHC and/or its related persons invest in investment vehicles or accounts of ("Seed Manager Funds") and/or provide capital or debt financing to the investment management or advisory firms that manage or advise such vehicles or accounts ("Seed Managers") in exchange for certain benefits ("Seed Transaction Benefits"), including, without limitation, the right to receive a portion of the fees, revenues and/or profits that otherwise would be received by the Seed Managers in connection with managing their Seed Manager Funds; and a variety of other rights and entitlements with respect to Seed Manager Funds and/or their Seed Managers, such as investing in such Seed Manager Funds on fee terms that are more favorable than those typically offered by such Seed Manager Funds to their investors or otherwise on a "most favored nations" basis, investment capacity rights and certain veto rights over actions proposed to be taken by the Seed Managers of such Seed Manager Funds – in each case exclusively as a passive investor having no control over the management or investment decision-making of such Seed Managers. In certain cases, NHC offsets or otherwise reduces the fees paid by a client to NHC by 100% of any payments received by NHC from a

Seed Manager or a Seed Manager Fund, while in other cases, NHC is expressly entitled to retain all or a portion of such payment and is not required to offset client fees. The terms of any such offset is detailed in the agreement between NHC and the relevant client. To the extent that such an offset does not exist (or if the offset percentage is less than 100%), NHC has an incentive to favor making recommendations that a client make an investment in a Seed Manager Fund over a recommendation that such client invests in an Underlying Funds that are not Seed Manager Funds.

Generally, the primary consideration for receiving Seed Transaction Benefits is the investment by a participating NHC Client, NHC and/or its related persons in the Seed Manager Fund managed or advised by the Seed Manager. In certain cases, an NHC Client, NHC and/or its related persons also from time to time are expected to provide capital or debt financing to a Seed Manager (either in lieu of or in addition to investing in the Seed Manager Fund), or other services (including assistance with various operational or business matters relevant to the Seed Manager), in exchange for Seed Transaction Benefits. To the extent that NHC, and not NHC Clients, are receiving all or any of the Seed Transaction Benefits, NHC has an incentive to recommend that a client make an investment in such Seed Manager Fund.

## **Item 7. Types of Clients**

Our clients are the Customized Funds, including entities through which the Customized Funds invests, Non-Discretionary Clients, Pooled Vehicles and the Pension Client. We generally require a minimum subscription of \$5,000,000 for our Pooled Vehicles or an initial investment of \$100,000,000 for launching or maintaining a new account or fund, but we have reduced and may again reduce either requirement on a case-by-case basis at our discretion.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

NHC employs different investment objectives depending on the specific objective of each client.

TAF's objective is to develop and actively manage a leveraged investment portfolio that is intended to produce attractive risk-adjusted returns with low beta to traditional asset classes. In order to attempt to achieve its investment objective, TAF generally allocates its assets amongst a select group of trading advisors or investment managers (the "Trading Advisors"). Trading Advisors will invest or trade in a wide range of securities and other instruments generally through separately managed accounts or similar arrangements across an array of strategies.

SOF's objective is to construct an investment portfolio consisting of less liquid, credit-like opportunities, with medium duration (i.e., <5 to 6 years) that are meant to complement, and be less correlated to, allocations to traditional private credit strategies.

In general, we seek to invest client assets in a manner that provides capital appreciation consistent with each client's risk and return targets through the allocation of client assets among a group of Underlying Managers (any such investments made in Underlying Funds or through separate accounts by NHC clients, the "Portfolio"). We generally seek to recommend Underlying Managers (i) whose core investment beliefs are broadly aligned with ours (ii) who are expected to provide reasonable transparency regarding the investment process and (iii) who we believe have reasonable portfolio construction and risk management skills. The Underlying Funds take multiple forms, including both pooled, customized and single-investor investment vehicles that are organized as corporations, limited partnerships or other limited liability vehicles and may also take the form of a single entity that engages multiple Underlying Managers to provide investment management services (such a vehicle, including TAF and any other Managed Account Platform Fund with multiple Underlying Managers, a "Multi-Manager Fund").

The investment opportunities available to the Underlying Funds in which NHC clients invest are expected to vary considerably over time and such Underlying Funds are expected to develop new types of investment strategies, and to seek to capitalize on attractive opportunities as markets change, wherever they might be. Therefore, the full range of instruments, industries, contracts and markets in which an Underlying Fund will take positions in over time cannot be specified. The following strategies are illustrative of some but not all of the strategies that an Underlying Fund may pursue. The amount of the total assets and total risk of such Underlying Fund represented by these strategies individually and collectively will vary materially over time. Investment strategies may consist of two or more of these and may not be entirely of any one type. Due to the wide range of investment strategies which may be pursued from time to time, it is not possible to describe all such strategies with specificity, therefore material profit or loss

may result from strategies which are not described below (each of the strategies below, an “Investment Strategy”).

**Arbitrage and Event:** Strategies that exploit mispricings in equity, debt, or option instruments that can arise around corporate transactions, including M&A (mergers and acquisitions), IPOs/FOs (initial public offerings/follow-on offerings), and other corporate actions.

**Asset Backed Securities:** Funds that seek to identify mispricings in complex securities that are collateralized by pools of other assets.

**Credit Relative Value:** Strategies that broadly focus on exploiting mispricings in corporate credit instruments, including bonds, loans, and derivatives, such as credit default swaps.

**Distressed:** Strategies that primarily invest in the debt securities of companies or sovereign countries that are undergoing, or are likely to go through, bankruptcy or other restructuring due to high levels of debt that such companies or sovereign countries cannot pay back or refinance. These strategies also include opportunities in non-performing loans, which are most often collateralized by commercial real estate or other assets.

**Equity Long/Short:** Funds primarily investing in the liquid, listed equities of companies. Underlying Managers are expected to conduct a bottom-up research process to identify companies that they believe are trading above or below their perceived view of the fundamental value of the company.

**Fixed Income Relative Value:** Funds that exploit relative value mispricings among liquid fixed-income instruments (typically ones with low credit risk), often using significant leverage.

**Global Macro:** Funds that trade in a broad range of strategies predicated on movements in underlying economic variables and the impact these variables have on the global equity, fixed-income, currency, and commodity markets. Underlying Managers may employ a variety of techniques, both discretionary and systematic analysis, combinations of top-down and bottom-up theses, quantitative and fundamental approaches and long, medium, and short-term holding periods. Certain strategies may exploit the persistent phenomenon of momentum in asset returns (i.e., the relationship between an asset’s recent returns with its future returns).

**Insurance/Weather:** Funds that sell protection against weather events or natural catastrophes, such as hurricanes and earthquakes, to property insurers/reinsurers.

**Intellectual Property / Litigation:** Investments where the outcome is dependent upon the realized performance of specific intellectual property assets (e.g., pharmaceutical royalties, drug

development finance, entertainment royalties) or litigation (e.g., class action lawsuits, M&A dissent, international arbitration)

**Quantitative Equity:** Employing an equity long/short strategy in a systematic way, with little to no discretion in the underlying portfolio construction.

**Real Assets / Infrastructure:** Investments in securities or loans backed by infrastructure assets in transportation (e.g., taxi medallions, toll roads, aircraft leases), energy (e.g., clean energy, E&P), and commercial real estate.

**Specialty Finance:** Funds that typically invest in securities or loans backed by various forms of niche collateral, including insurance obligations, esoteric asset-backed securities and government obligations that require a high degree of industry-specific underwriting expertise.

NHC primarily identifies new ideas and Underlying Managers through its own research, including review of publications and dialogue with hedge fund and other investment managers, capital introduction firms or other market experts. After identifying an Underlying Manager, NHC performs due diligence which includes both quantitative and qualitative elements. NHC endeavours to analyze an Underlying Manager's strategy, philosophy and decision-making process, proprietary models, research and portfolio management systems, and organizational structure as well as the quality of its investment professionals.

The essence of NHC's due diligence is to seek to understand:

- the market inefficiency that the strategy seeks to exploit;
- the edge or cleverness (competitive advantage) that an Underlying Manager brings to the strategy; and
- the risks to which the strategy is exposed;

and to assess:

- the skill and qualifications of the Underlying Manager's professional staff;
- the adequacy and competence of the Underlying Manager's non-investment functions (e.g., operations, accounting, compliance, information technology);
- the expected risk and return of the strategy and its expected performance in certain unfavorable market scenarios; and
- the suitability of the strategy in light of the investment objectives and guidelines of the relevant NHC Client.

Business and operational due diligence generally consists of performing assessments of an Underlying Fund's business and operational factors through meetings and calls with personnel at

the Underlying Fund's Underlying Manager. NHC analyzes a variety of items including, for example, an Underlying Manager's business stability, investment pedigree, character references, key person risk, alignment of interests, fairness of fees (a function of quality and quantity of alpha), asset/liability structure, suitability/terms of leverage, internal control environment, pricing procedures, suitability of compliance procedures and the independent oversight provided by an administrator and auditor. NHC from time to time modifies the way in which it implements or carries out any of the investment and operational due diligence processes with respect to particular investments, including to improve our processes.

Certain risks relating to allocating assets among Underlying Managers of Underlying Funds are set forth below. The risks of investing in each Underlying Fund are generally described by such Underlying Funds in their offering documents.

*Risk of Loss.* Allocating assets to Underlying Managers of Underlying Funds who trade and invest in securities involves risk of loss that clients should be prepared to bear. The following risk factors are not intended to be a full or complete listing of all the risk factors involved in investing, and clients should engage in their own evaluation of these and other potential risks. Past performance of the Portfolio provides no indication of future performance of the investments currently in the Portfolio or any future investment in any Underlying Fund.

*Investment Risks in General.* NHC's investment results will depend on factors that include, without limitation, the availability of the Underlying Funds for subscriptions and NHC's allocation of assets among, and the performance of, the relevant Underlying Funds. The Underlying Funds are expected to utilize highly speculative and opportunistic investment techniques, including, without limitation, (i) leverage, short selling and securities lending; (ii) equity-driven investing; (iii) relative value investing; (iv) investing in non-marketable securities, fixed income securities, commodities, listed and over the counter options, options on securities and securities indices, uncovered option transactions, derivative instruments, forward transactions, futures and options on futures transactions, foreign currency transactions and various swap and swap-like arrangements; (v) tactical and quantitative trading; (vi) investing in workouts and startups, as well as corporate distressed and structured credit opportunities; (vii) making private equity and other illiquid investments; (viii) taking control and/or minority positions, short-term trading, arbitrage, relative value and other trading strategies; (vi) investing in foreign securities; (ix) making directional (*i.e.*, investments with net exposure or non-hedged investments), concentrated and non-diversified investments; (x) financial services, insurance and insurance-related investments; and (xi) real estate, infrastructure and energy-related investments; and (xii) other exotic instruments. These investment strategies are highly complex, and therefore entail significant risks. Specifically, in the case that Underlying Managers pursue arbitrage, relative value and other trading strategies based on exploiting discrepancies in the pricing of financial assets, the success of an investment in such vehicles depends in large part on the relevant Underlying Manager's ability to identify and exploit such price discrepancies.

Identification and exploitation of such opportunities involves uncertainty and there are no assurances that such investment opportunities can be identified or will ultimately be successful. In general, neither NHC nor its clients will have the ability to direct or influence the management of the Underlying Funds or the investment of their assets. There are certain market conditions in which any given investment strategy is unlikely to be profitable, such as global and local economic growth, interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of clients' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations), and pandemics (i.e., coronavirus). These factors may affect the level and volatility of the prices and the liquidity of Clients' investments. Volatility or illiquidity could impair Clients' profitability or result in losses. Neither NHC nor the Underlying Managers have the ability to control or predict such market conditions.

*No Assurance of Investment Returns.* No assurance whatsoever is made that a client's investment strategies will be successful or that a client will be able to make an investment in any particular Underlying Fund and on what terms. There can be no assurance that a client will be able to generate any returns or that the returns will be commensurate with the risks of investing in the Underlying Funds and other transactions. There can be no assurance that a client will receive any distributions from its investments in the Underlying Funds. Accordingly, any investment by a client should be considered by an investor as speculative, illiquid and long-term. Clients will generally be investing in Underlying Funds, some of which may have no prior operating or performance histories to evaluate. In addition, one or more of the investment strategies pursued by an Underlying Fund could be new strategies for such Underlying Manager or its investment professionals; for example, a new strategy employed to attempt to opportunistically capitalize on market conditions or to provide broader diversification. Moreover, there may be circumstances where an Underlying Manager pursues a new strategy at the request of and/or co-developed with NHC. In such situations there is a greater risk the Underlying Manager may not successfully implement the new investment approach. Moreover, the past investment performance of an Underlying Manager, its affiliates, investment professionals and/or any of their respective clients (including the relevant Underlying Fund(s)), especially with respect to a new strategy, may not be construed as an indication of the future results of an investment in such Underlying Funds.

*Broad Investment Mandate.* The investment strategy of a client is opportunistic in nature and covers a broad range of asset classes and geographic regions. Investors must rely upon the ability of NHC to identify, structure and implement investments consistent with the client's overall investment objectives and policies at such times as they determine. The Underlying Funds (and indirectly, the NHC Clients) may make investments throughout the capital structure such as mezzanine securities, senior secured debt, bank debt, unsecured debt, convertible bonds, preferred and common stock, and/or other asset classes using various strategies. It is expected that, in light of the NHC Clients' investment objectives, the NHC Client may invest in



Underlying Funds that make equity, credit and/or other investments. Additionally, the Underlying Funds may invest in any number of companies operating in a wide range of industries, geographies or activities, each of which has its own unique risks. Given this broad investment mandate, it is possible that even an individual Underlying Fund will make diversified investments. As a result, past performance for any Underlying Fund is even more unlikely to be predictive of specific future investments (*e.g.*, repeating the same trade) or investment performance.

*Illiquidity and Actions of Underlying Managers.* Investments in the Underlying Funds recommended by NHC are generally more illiquid than investments in traditional marketable securities. No readily available market exists for interests in the Underlying Funds.

In many cases, NHC Clients cannot redeem or withdraw assets from an Underlying Fund. To the extent that a client has a right to redeem an investment in an Underlying Fund, such right in certain instances is subject to contractual lockups or other agreed restrictions as to timing or amount of the redemption or withdrawal. Additionally, some Underlying Managers have the right to impose limitations on such redemptions, including by suspending the determination of the net asset value of the Underlying Fund; suspending redemptions, in whole or in part; imposing gates or restrictions on redemptions above a certain amount or percentage; assigning a majority of the Underlying Fund assets to a side pocket; paying out redemptions in-kind or distributing certain or all assets into a special purpose vehicle or account. An investment in an Underlying Fund is also generally not transferable except with the Underlying Manager's consent, which may be withheld at its discretion. Consequently, clients should generally not expect to be able to liquidate their investments in the Underlying Funds for prolonged periods of time and should therefore be prepared to bear the economic risk of such investment for an indefinite period.

*Lack of Control.* NHC will not control the Underlying Managers, their choice of investments or other investment decisions, which are entirely within the control of the Underlying Managers. NHC will have no control over the day-to-day operations (including the compliance with applicable laws and regulations) of any proposed or existing Underlying Manager.

In addition, NHC will not have any control over the institutions selected by the Underlying Managers for brokerage, clearing and custody services. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of an Underlying Fund.

Further, NHC's investment selection process cannot ensure that Underlying Managers will perform as desired.

*Monitoring Underlying Managers.* NHC ultimately must rely on each Underlying Manager to operate in accordance with the investment strategy and guidelines laid out by such Underlying

Manager, and the accuracy of the information provided to the Underlying Fund by such Underlying Manager. While NHC does perform ongoing monitoring of the Underlying Funds, we would not necessarily become aware of undesirable activities at an Underlying Fund, including without limitation, an Underlying Manager's incurring unreported risks, investment style drift or even regulatory breach or fraud.

*Risk Controls.* NHC will not control the risk controls or compliance procedures of Underlying Managers and as we have no assurances that the Underlying Managers' risk controls and procedures will be adequate to avoid adverse results.

*Multi-Manager Approach.* While the use of the multi-manager and multi-strategy approach may provide some diversification of investment risk, no assurance can be given that such diversification will occur, or that if it does, that it will increase, rather than reduce, potential net profits. Also, the use of multiple managers may cause an NHC Client to indirectly hold opposite positions in an investment, thereby decreasing or eliminating the possibility of positive returns from such investment.

*Incentive-Based Compensation Arrangements of NHC and the Underlying Managers.* The Underlying Managers generally will be compensated through incentive-based arrangements, as is NHC. Under such arrangements, NHC and the Underlying Manager will often benefit from appreciation, including unrealized appreciation, in the value of the Underlying Fund, but in certain instances will not be similarly penalized for realized losses or decreases in the value of the Underlying Fund. Such fee arrangements create an incentive for NHC and the Underlying Managers to make purchases that are unduly risky or speculative.

*Asset-Based Compensation.* In addition to incentive-based compensation, a portion of NHC's compensation is derived from an asset-based management fee and the overall amount of fees that NHC will receive will increase as the Portfolio's net invested assets under management increase. This may incentivize NHC to recommend investing in Underlying Funds more quickly or to delay in recommending the redemption from an Underlying Fund than if such arrangements were not in place.

*Confidentiality and Related Constraints.* In the course of its investment process, NHC Clients may be required to enter into confidentiality agreements with Underlying Managers that may prohibit the NHC Client and their investors from publicly disclosing sensitive information relating to an NHC Client, an Underlying Fund or its investments. These arrangements could either restrict the information that the NHC Clients are permitted to share with their investors or could possibly result in liabilities in certain circumstances. In order to mitigate the risk of exposing a client to these categories of liability, the client may choose, but are not required, to decline such investment opportunities or to limit the information otherwise to be provided to their investors. As a result, the client's investment flexibility may be constrained, which may

adversely impact the performance of the client. Additionally, in connection with evaluating a transaction, an Underlying Manager may require a client or NHC to agree to certain restrictive covenants which could impair NHC's ability to pursue the related investment (among other restrictions).

*Access to Information.* NHC requests information from each Underlying Manager regarding the relevant Underlying Fund's historical performance and investment strategy. We also request portfolio information on a continuing basis from each Underlying Manager. However, NHC will not always be provided with such information for a variety of reasons, including if certain of this information is considered proprietary information by an Underlying Manager. Additionally, the Underlying Funds in which the client invests are generally not offered pursuant to registration statements effective under the Securities Act and Underlying Funds generally are not subject to the periodic information and reporting provisions of the Securities Exchange Act of 1934, as amended. This lack of access to information makes it more difficult for us to monitor the Underlying Funds and/or make appropriate recommendations regarding various actions in relation to the selection and allocation of assets among Underlying Managers or the redemption of assets already invested in Underlying Funds. Additionally, NHC generally does not have access to information regarding the investment activities of affiliates of the NHC Clients that are not advised by NHC. As such, there is the potential that interests of these non-advised affiliates and those of the NHC's clients or the Underlying Funds could become conflicted in a manner that NHC is unable to identify, monitor or work to resolve.

*Weaknesses in the Valuation Policies or Procedures of Underlying Funds.* Neither NHC nor its clients have control over the valuation policies or procedures employed by the Underlying Funds or their respective Underlying Managers or administrators and NHC is not responsible for confirming the accuracy of any of the valuations provided by any of them. There may be differences among the Underlying Funds with respect to the valuation of the same assets due to differences in valuation policies and procedures. Weaknesses or differences in the valuation policies or procedures of Underlying Funds, their administrators, or the Underlying Managers could materially impact Underlying Fund performance and the fees payable to NHC. To the extent that an Underlying Manager, or other non-independent party, determines the value of an Underlying Fund's assets, it may face a conflict of interest in valuing such assets because of the effect of such value on its compensation.

*Forward-looking Statements and other Information.* From time to time, NHC may provide its clients with reports, analysis and other materials that may contain forward-looking statements, such as, for example, levels of expected returns or expected risk associated with an existing or potential Underlying Fund or the portfolio as a whole and forecasts regarding sources and uses of cash. These forward-looking statements, as well as other statements contained in these reports, analysis and other materials may be based on information provided by third parties that NHC believes to be reliable but does not independently verify and, as such, NHC cannot guarantee that

any of the forward-looking statements made in such materials will become true. To the extent that clients rely on any information that NHC provides to any of them in deciding to make any investment or divestiture, differences between actual events and the forward-looking statements contained in materials provided by NHC could result in significant investment losses, including loss of principal. Moreover, certain information contained herein constitutes forward looking statements, which often can be identified by the use of forward-looking terminology such as “may,” “will,” “seek,” “should,” “could,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” “target,” “plan,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of an Underlying Fund or the clients overall differ materially from those reflected or contemplated in such forward-looking statements.

*Hedging Transactions.* Underlying Funds from time to time engage in hedging transactions (such as forwards, short sales, swaps or options on currencies, interest rates, securities and indices) to attempt to mitigate risk of loss. However, it is impossible to fully hedge an investment due to the impossibility of identifying all possible risks, the uncertainty as to the economic factors to which an investment’s performance is sensitive, the amount and timing of projected cash flows and investment returns and the cost to obtain sufficient hedges. It is also possible, in certain situations, that hedges will increase risk rather than reduce it. In certain hedging transactions NHC provides guidance to certain Underlying Managers on the desired level of risk exposure based on our estimates of the Underlying Funds’ risk, return and other assertions that later prove to be inaccurate. The success of any hedging transactions will be subject to the ability of the Underlying Manager, or NHC in certain instances, to correctly identify the risk and predict correlations between the value of portfolio assets and the direction of external factors such as currency exchange rates, interest rates and securities prices. The effectiveness of a hedging technique depends upon the extent to which price movements in assets that are hedged correlate with price movements of the hedging instrument selected, and unanticipated changes may result in a poorer overall performance for the clients than if the clients had not entered into such hedging transaction. Conversely, there may be identified risks in the Advised Fund’s portfolio that are not hedged because adequate hedging transactions may not be possible or advisable to enter into based on available terms.

*Currency Hedging.* Certain of NHC Clients accepts subscriptions in foreign currency that are converted into U.S. Dollars at the relevant exchange rate obtained on the applicable subscription date.

Such subscriptions will be subject to the risk that the value of the U.S. Dollar will decrease against its local currency. Such NHC Client(s) will seek to reduce or minimize the effect of fluctuations in the exchange rate on the value of the foreign shares by entering into spot or forward contracts, currency options and currency futures contracts or other financial instruments to hedge such risks (a “Currency Hedge”). NHC, and not the Underlying Managers, will

generally be responsible for entering into any Currency Hedges on behalf of the relevant NHC Client. Typically, a Currency Hedge will entitle the NHC Client to be paid, or require the NHC Client to pay, periodically, the approximate amount of any losses or gains resulting from a decline or increase in the value of the U.S. Dollar against the local currency. To the extent the NHC deems appropriate, Currency Hedges are expected to be rolled on a monthly basis based on estimated aggregate Net Asset Value of all outstanding shares of such local currency.

Generally, foreign shares will be allocated the expenses of currency conversions and the expenses, profits or losses of any Currency Hedge (including, without limitation, transaction costs, costs associated with bid/offer spreads and the deleveraging effect (and impact on return) resulting from margin requirements of the Currency Hedge) related to such foreign shares and, as a result, the foreign shares will likely perform differently than shares denominated in U.S. Dollars. Such losses may nevertheless exceed the aggregate Net Asset Value of such foreign shares. Accordingly, there is a risk that any losses or other liabilities attributable to currency conversions or any Currency Hedge may not be limited to such foreign shares and may be required to be paid out of one or more other series of shares of the NHC Client. NHC may determine, based on market and/or leverage conditions, that it is in the best interests of the NHC Client to discontinue the Currency Hedge.

*Role of NHC and its Investment Professionals.* Clients, and thereby investors in NHC Clients, are dependent upon the skill and experience of NHC and its investment professionals. There is ever increasing competition among alternative asset firms, financial institutions, private equity firms, hedge fund firms, investment managers and other industry participants for hiring and retaining qualified investment professionals, and there can be no assurance that such investment professionals (or former investment professionals) or any other personnel will continue to be associated with NHC for any fixed period of time. The loss of the services of one or more of such persons could have a material adverse impact on the client's ability to realize its investment objectives.

*Emerging Underlying Fund/Underlying Manager Investments.* The NHC Clients may invest in Underlying Funds that are controlled by small and/or emerging Underlying Managers. Therefore, certain of the Underlying Funds may not have commenced operations and will lack operating histories on the basis of which NHC may evaluate their performance. Such Underlying Funds may also have principals that have not worked together as a group before, have not worked together as a group for a significant period, or have not previously worked as investment professionals. Moreover, Underlying Managers in an early stage of formation or operation pose a number of operational and other issues. For example, in its early stages, an Underlying Manager may have little capital available to cover expenses and, accordingly, may have difficulty attracting qualified personnel. Such Underlying Managers may face competition from other investment funds, which may be more established, have a larger number of qualified management and technical personnel and benefit from a larger capital base. Such investments

are therefore often riskier than investing with more established Underlying Managers. These risks also extend to agreements with NHC and a Seed Manager that enters into an agreement in exchange for Seed Transaction Benefits. In most instances the value of any Seed Transaction Benefits is contingent on the success of a Seed Manager's business overall and because many Seed Managers are themselves emerging managers, such Seed Transaction Benefits are uncertain to be profitable or valuable.

*Socially Responsible Investments.* NHC is a signatory of the United Nations Principles for Responsible Investment ("UN PRI"). As such, NHC seeks to align its practices with the principles of the UN PRI that are consistent with the mandates of each client, as applicable. Certain clients maintain policies that requires it to invest in a socially responsible manner. This focus may cause the client (i) to be unable to take advantage of certain investment opportunities; (ii) difficulty finding a sufficient number of attractive opportunities and/or (iii) to withdraw from an investment at an inopportune time. When reviewing and monitoring investments for socially responsible investing issues, NHC may rely on information provided by the Underlying Managers. If an Underlying Fund provides incorrect information or fails to provide material information regarding its investments or if such information is not available, NHC's evaluation process may not be implemented correctly and therefore, may fail to identify potential investments which adhere to the socially responsible investment mandate or may fail to screen out investments which do not adhere to the socially responsible investment mandate. In such case, clients could be the subject of negative publicity and suffer from reputational harm. Additionally, NHC's evaluation process may lead it to forego the opportunity for a client to make an attractive investment on the mistaken belief that such investment would not satisfy a client's socially responsible investment policy. Any such failure would likely harm the client's investment returns.

*EU Sustainable Finance Disclosure Regulation ("SFDR").* The SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. NHC has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making and risk monitoring process for NHC Clients. If appropriate for an investment, NHC may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. NHC does not consider the adverse impacts of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of the SFDR, for the time being. NHC does not currently do so because, among other reasons, the draft Regulatory Technical Standards which set forth the scope of "principal adverse impacts" and the corresponding mandatory reporting template have not yet been adopted by European legislators, which makes the prospect of obtaining the data required for voluntary

compliance with Article 4(1)(a) challenging. NHC's position on this matter will generally be reviewed at least annually.

*Operational Risks.* NHC and the Underlying Managers rely on financial, accounting and other data processing systems. If any of these systems do not operate properly or are disabled, whether as a result of tampering or a breach of network security systems, interruption from computer viruses, network failures, computer and telecommunication failures, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes, or otherwise, clients and the Underlying Funds could suffer, among other things, financial loss, liability to customers/investors, disruption of businesses and reputational damage. In addition, NHC's operations and those of the Underlying Manager's rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Although NHC has implemented, and the Underlying Managers will likely have implemented, protective measures, its computer systems, software and networks may be vulnerable to unauthorized access, theft, misuse, computer viruses or other malicious code and other events that could have a security impact, and NHC and/or the Underlying Managers, as applicable, may have to make a significant investment to fix or replace such systems. If one or more of such events occur, the clients' and the Underlying Fund's investors' confidential information processed and stored in, and transmitted through, NHC's and the Underlying Manager's computer systems and networks could be jeopardized. Further, NHC may rely and certain Underlying Managers may rely on third-party service providers (including, without limitation, administrators and custodians) for certain aspects of their business. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair the quality of the operations, subject any such entity and its affiliates to legal claims and otherwise affect its business and financial performance and could affect their reputation, which could have an adverse effect on a client.

*Cross-Collateralization.* Certain of the Underlying Managers may offer investment opportunities in different series or classes of an Underlying Fund to permit their investors, including the NHC Clients, to participate in different investment opportunities or multiple strategies. It is expected that in many cases any debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series or class will not be enforceable only against the assets of such series or class, as applicable, and instead against the assets of the relevant Underlying Fund generally, and that the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to such Underlying Fund generally or any other series or class thereof will be enforceable against the assets of such series or class. In these cases, it is likely that losses sustained in respect of a series or class of interests in excess of the assets attributable to such series or class will be charged against the assets of another series or class of interests. Additionally, because the cross-collateralization provisions with respect to the classes are contractual only, third party creditors which are not bound by such

Underlying Fund's governing agreement may be able to enforce their claims with respect to a class against the assets of other classes. The above risks apply equally to Multi-Manager Funds, which may cross-collateralize to the same extent as an Underlying Fund.

*Reliance on Third-Party Valuations.* There is not expected to be any readily available market for many of the clients' investments, and such investments may be difficult to value. Where NHC is responsible for valuing the assets of an NHC Client, NHC will generally rely on the Underlying Managers or other third parties associated with the Underlying Managers to determine the valuation of such portfolios, including the determination of the net asset value of the relevant client. In the case of a Pooled Vehicle or the Customized Funds, absent bad faith or manifest error, the valuation determinations of NHC, will be conclusive and binding on such NHC Client and its investors. There can be no assurance that the values assigned to an Underlying Fund's investments will equal or approximate the price at which such investments may be sold or otherwise liquidated or disposed of from time to time. Moreover, to the extent that NHC assists with determining the valuation of an Underlying Fund's investment, NHC would make a judgment regarding the valuation based on objective criteria; nonetheless, NHC has an inherent incentive to overvalue such an investment because a higher NAV increases the fees payable to NHC.

*Risks Relating to Due Diligence.* In connection with making investments in the Underlying Funds, NHC relies, in part, on the due diligence conducted by the Underlying Managers or other third parties. Likewise, the Underlying Managers may also rely on due diligence conducted by third parties. Underlying Managers, NHC or other third parties (whether engaged by NHC or an Underlying Manager) are expected to conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence, whether conducted by NHC, an Underlying Manager or a third party may entail evaluation of important and complex business, financial, tax, accounting, environmental, regulatory, political, and/or legal issues, and there is no assurance that every possible issue with respect to an investment will be identified. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. There is a risk that the analysis and/or due diligence conducted by NHC, an Underlying Manager or a third party may be materially incorrect, incomplete and/or inconsistent over time. In addition, the due diligence investigation that NHC, an Underlying Manager or a third party carries out with respect to any Underlying Fund may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such Underlying Fund. Such risks are likely to be greater when the time and/or information available to NHC, an Underlying Manager or a third party to evaluate an Underlying Fund is limited. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to mitigate risks identified through due diligence with respect to investments will achieve their desired effect.



*Change of Law Risk.* It should be noted that government counterparties or agencies may have the discretion to change or increase regulation of an Underlying Fund's operations or implement laws or regulations affecting an Underlying Fund's operations, separate from any contractual rights it may have. An Underlying Fund could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations, including, for example, the possible imposition or increase of taxes on income earned by or from an Underlying Fund or gains recognized by a client on its investment in such Underlying Fund, that could impact an Underlying Fund's business as well as such client's return on investment with respect to such Underlying Fund.

*Assumption of Catastrophe Risks.* An Underlying Fund may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which a Fund invests (or has a material negative impact on the operations of the Adviser or the service providers), the risks of loss can be substantial and could have a material adverse effect on a Fund and the limited partners' investments therein.

*Pandemics and Other Public Health Emergencies.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, Ebola and COVID-19, have resulted and are resulting in market volatility and disruption. Such public health emergencies may constrain people's mobility, which in turn may constrain economic activity generally. Such emergencies in the future have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in negative effects on the performance of an Underlying Fund's investments. The ultimate impact of such emergencies on local, regional and global economic conditions, and on the operations, financial condition and performance of any particular industry or business, cannot be accurately forecast, although ongoing and potential materially adverse effects, including a global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The spread of infectious viruses or diseases may reduce the availability of potential investment opportunities, and generally will increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections and the ability of NHC to achieve its investment objectives. In addition, operations may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary or precautionary restrictions on travel or meetings and other factors related to a pandemic or other public health emergency, including its potential adverse impact on the health of the personnel of

any such entity or the personnel of any such entity's key service providers. The impact to businesses in such circumstances has been and may continue to be substantial. Accordingly, the extent of the impact on the operational and financial performance will depend on many factors, all of which are highly uncertain, and this impact may include unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital.

*Uncertain Geopolitical Events and Conflicts.* International and/or local geopolitical events and conflicts, including ongoing wars in Ukraine and the Middle East, are likely to influence the performance of the Feeder's investments. Such geopolitical events and conflicts, including, without limitation, wars, national referenda, political elections, international violent and non-violent conflicts, terrorist attacks, humanitarian crises, political movements, reactions to national and international emergencies and the general uncertainty caused by any of the foregoing, can affect monetary policy, fiscal policy, international relations, currency valuations, legal systems and regulatory regimes, among numerous other things, in ways that could be expected to lead to increased market volatility and have a negative impact on the economies and business activities of the U.S., Europe and other countries generally (including in the countries in which an Underlying Fund invests), as well as have adverse effects on issuers of securities and the value of an Underlying Fund's investments. Because it is difficult to predict the severity, duration and ultimate impact of such geopolitical events and conflicts on global economic and market conditions, such events and conflicts present material uncertainty and risk with respect to an Underlying Fund and the performance of its investments and operations, and the ability of an Underlying Fund to achieve its investment objectives.

*Recent Developments in the Banking Sector.* National and regional banks, financial institutions and other participants in the U.S. and global capital markets are closely interrelated as a result of credit, trading, clearing, technology and other relationships. A significant adverse development (such as a bank run, insolvency, bankruptcy or default) with one or more national or regional banks, financial institutions or other participants in the financial or capital markets may spread to others and lead to significant concentrated or market-wide problems (such as defaults, liquidity problems, impairment charges, additional bank runs and/or losses) for other participants in these markets. Future developments, including actions taken by the U.S. Department of Treasury, the FDIC, the Federal Reserve, and systemic risk in the U.S. and global banking sectors and broader economies in general, are difficult to assess and quantify, and the form and magnitude of such developments or other actions of the U.S. Department of Treasury, the FDIC and the Federal Reserve may remain unknown for significant periods of time and could have an adverse effect on either an NHC Client or an Underlying Fund.

Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include an Underlying Fund and/or its underlying portfolio entities) will be made whole or, even if made whole, that such deposits will

become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, may be similarly impacted, and it is uncertain what steps (if any) regulators may take in such circumstances. As a consequence, for example, an Underlying Fund and/or its underlying portfolio entities may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations or pursuing key strategic initiatives, and limited partners may be impacted in their ability to honor capital calls and/or receive distributions. In addition, such bank failures or instability could affect, in certain circumstances, the ability of both affiliated and unaffiliated joint venture partners, co-lenders, syndicate lenders or other parties to undertake and/or execute transactions with an Underlying Fund, which in turn may result in fewer investment opportunities being made available to an Underlying Fund, result in shortfalls or defaults under its existing investments, or impact the Underlying Fund's ability to provide additional follow-on support to such investments. Furthermore, in the event that a financial institution that provides credit facilities and/or other financing to an Underlying Fund and/or underlying portfolio entities closes or experiences distress, there can be no assurance that such bank will honor its obligations or that its underlying portfolio entities will be able to secure replacement financing or capabilities at all or on similar terms.

Although the U.S. Department of the Treasury, the Federal Reserve, the FDIC, the Swiss National Bank and other financial institutions have taken measures to stabilize the financial system, uncertainty and liquidity concerns in the broader financial services industry remain. Additionally, should there be additional systemic pressure on the financial system and capital markets, there is no assurance the response of any government, regulator or market participant will be as favorable to industry participants as the current measures. Highly publicized issues related to the U.S. and global capital markets in the past have led to significant and widespread investor concerns and volatility. The current banking situation may lead to further rules and regulations for banks, financial institutions and other participants in the U.S. and global capital markets, and complying with the requirements of any such rules or regulations may be burdensome. These recent developments may also have other implications for broader economic and monetary policy, including interest rate policy. The recent bank closings has given rise to significant liquidity concerns in the broader financial services industry and market volatility. Liquidity problems in the financial services industry could have an adverse effect on an NHC Client's investment returns. There can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect an NHC Client or an Underlying Fund and/or underlying portfolio entities or their respective financial performance.

*Capacity Constraints.* A number of conflicts of interest may arise as a result of NHC's management of a number of clients with similar investment strategies. In some cases, it may not be possible, or appropriate, for NHC to cause all NHC Clients to invest in the same investment opportunities or to the same extent. Moreover, Non-Discretionary Clients retain discretionary

authority in making final investment decisions based upon investment recommendations provided by NHC. An NHC Client may therefore have reduced exposure to a capacity constrained strategy or investment type, which could adversely affect such Client's return. The Adviser is not obligated to allocate capacity pro rata and may take its financial interest into account when allocating capacity amongst NHC Clients.

## **Item 9. Disciplinary Information**

NHC and its management persons do not have any material legal or disciplinary events to report.

## **Item 10. Other Financial Industry Activities and Affiliations**

NHC is registered with the Commodity Futures Trading Commission as a commodity pool operator and is a member of the National Futures Association.

In connection with its services to NHC Clients, NHC personnel or principals sometimes serve on advisory boards or committees to Underlying Managers.

Except with respect to Seed Managers (as described above in Item 6), we receive no compensation, directly or indirectly, from Underlying Managers recommended to NHC Clients.

NHC is affiliated with NHC Bleecker GP LLC and NHC Hudson GP LLC, each of which serves as the general partner of a Customized Fund, and NHC GP LLC, which is the general partner of SOF. Additionally, NHC SLP LLC, an affiliate of NHC, is a vehicle established to make a passive investment in and receive performance-based compensation related to TAF; NHC Carried Interest Holdings LLC, an affiliate of NHC, established to receive allocations related to revenue sharing agreements, and finally New Holland Management Holdings LLC, an affiliate of NHC, established to receive fee-based revenue shares.

## **Item 11. Code of Ethics, Interest in Client Transactions and Personal Trading**

NHC maintains a Code of Ethics (the “Code”) that obligates NHC and its employees to put the interests of the NHC Clients before their own interests and to act honestly and fairly in all respects in their dealings of NHC Clients. All personnel are also required to comply with applicable federal securities laws. Clients may obtain copies of the Code by contacting Teresha Miller (Chief Compliance Officer) by e-mail at [tmiller@newhollandcapital.com](mailto:tmiller@newhollandcapital.com).

Persons subject to the Code are subject to, among other things, various restrictions relating to the acquisition by them of securities. These restrictions include pre-authorization and disclosure requirements as well as general prohibitions on transactions in securities in certain circumstances, including when in possession of inside information and of issuers on NHC’s restricted trading list. Except for certain types of securities that are permitted to be traded without preclearance, the Code requires the prior approval of NHC’s Chief Compliance Officer and the satisfaction of certain conditions in order for any person subject to the Code to engage in the purchase or sale of any security.

NHC, in the course of its investment advisory activities, may come into possession of confidential or material non-public information about issuers, including issuers in which Underlying Managers have invested or seek to recommend an investment in on behalf of the NHC Clients. NHC is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is an NHC Client. NHC maintains and enforces policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to ensure that NHC is meeting its obligations to the NHC Clients and remains in compliance with applicable law.

The Code also addresses the fiduciary duties expected of the persons subject to the Code, including, for example, client opportunities and personal trading.

## Item 12. Brokerage Practices

For the Customized Funds and the Pooled Vehicles, NHC generally selects prime brokers, futures commission merchants, cash custodians and other derivatives counterparties (collectively, the “Trading Counterparties”), although NHC is typically not responsible for executing individual trades on behalf of these Clients, other than purchases or sales of cash equivalent securities, executing currency and index hedging transactions on behalf of certain underlying clients as outlined in the governing documents for such underlying client, or executing subscription agreements related to investments in Underlying Funds. Rather, these Clients are generally investing in Underlying Funds (where NHC has no ability to control either the selection of Trading Counterparties or to direct trading activities) or via an Underlying Manager in a Managed Account Platform Fund (where NHC selects Trading Counterparties but does not direct trading activities). In instances where NHC chooses Trading Counterparties, it does so in consultation with the relevant Underlying Manager based on factors such as the Trading Counterparty’s overall performance, pricing, and operational capabilities. NHC does not have any soft dollar arrangements with respect to the NHC Clients.

On rare occasions, the Customized Funds or Pooled Vehicles may receive in-kind redemptions from Underlying Funds (which could include securities or other financial instruments held by a Managed Account Platform Fund), in which case NHC will liquidate such amounts or transfer such amounts to another Underlying Fund. On other rare occasions, NHC may need to liquidate the assets of a Multi-Manager Fund upon termination of an Underlying Manager that NHC has engaged to provide services to such Managed Account Platform Fund, if the Underlying Manager does not liquidate the assets over which it had trading authority by the effective date of termination. In those cases, NHC expects to hire a third party to manage or liquidate the investments, though it may elect to manage the liquidation directly if NHC determines that doing so would be in the best interests of the Client.

Under the terms of each trading advisory agreement between a Managed Account Platform Fund, each Underlying Manager will be responsible for arranging for the execution of all orders for the purchase and sale of securities and other investments with respect to the applicable Managed Account Platform Fund. The Underlying Manager is generally required by law to seek best execution for that Managed Account Platform Fund. The Underlying Manager, to the extent permitted by applicable laws and regulations, may aggregate the investments to be purchased or sold on behalf of its clients to attempt to obtain a more favorable price, lower brokerage commissions or efficient execution.

If an Underlying Manager generates “soft dollars” with respect to the trades of the applicable Managed Account Platform Fund, such Underlying Manager will be required by law to comply with the safe harbor of Section 28(e) of the Exchange Act, with respect to such trades.



### **Item 13. Review of Accounts**

NHC monitors the NHC Clients, other than accounts of our Non-Discretionary Clients, on an ongoing basis. Ongoing monitoring consists primarily of reviewing information provided by the Underlying Managers and conducting periodic monitoring meetings and/or conference calls. Day to day responsibility for monitoring is conducted primarily by the portfolio manager and portfolio analyst at NHC who are assigned to cover the Underlying Fund and is generally reviewed on a quarterly basis by NHC's principals.

NHC monitors the aggregate portfolio risk characteristics of the NHC Clients, other than the Non-Discretionary Clients, on a periodic basis with a focus on the aggregate expected exposure of such NHC Client to common market factors (e.g., equity beta) and the expected loss of the Portfolio in certain unfavorable scenarios.

NHC's investment committee is responsible for monitoring the portfolios of the NHC Clients, other than the Non-Discretionary Clients, and ensuring that they are managed in accordance with their stated investment guidelines and does so in connection with each new investment proposal and on a monthly basis through internal portfolio reports. Any issues that are identified in connection with investment guidelines are raised to the Chief Compliance Officer for resolution.

Significant events affecting an Underlying Fund or the NHC Clients' respective portfolios in aggregate may trigger additional reviews if we believe it is warranted.

We provide written monthly performance reports to the NHC Clients, other than the Non-Discretionary Clients. Such reports currently include monthly NAV estimates for the portfolio as a whole and the Underlying Fund investments and performance attribution among investment strategies.

#### **Item 14. Client Referrals and Other Compensation**

Other than in connection with investments by the NHC Clients in Seed Managers, as further described in Item 6 above, NHC does not receive compensation for providing advice to the NHC Clients from anyone who is not a client. NHC has engaged an independent third-party solicitor (“TPS”) in raising capital for certain Pooled Vehicles and the TPS will receive compensation for assets invested directly into certain Pooled Vehicles as a result of their capital raising efforts.

Our personnel may receive or give a gift, favor or other items of value in the course of carrying out NHC’s business. To address conflicts that may arise, NHC requires that employees obtain preclearance prior to accepting gifts and certain types of business entertainment worth more than US\$250, as more fully described in NHC’s Code.

## **Item 15. Custody**

Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the “Custody Rule”) defines custody as holding client securities or assets or having any authority to obtain possession of them. NHC does not have custody of the SMA’s assets or the assets of any Non-Discretionary Clients but is deemed to have custody of the assets of the Pooled Vehicles and the Customized Funds, over which NHC exercises discretion.

In accordance with the Custody Rule, NHC Clients over which NHC is deemed to have custody receive an audited financial statement as prepared by an independent public accountant within the stated time frames laid out by the Custody Rule.

## **Item 16. Investment Discretion**

NHC does not have investment discretion with respect to services provided to the Non-Discretionary Clients. As noted in Item 4 above, NHC provides very limited non-discretionary services to each such client.

NHC manages the Pooled Vehicles, Customized Funds and the SMA on a discretionary basis, which means that NHC has the authority, subject to the terms of the Governing Documents, to decide which investments to make on behalf of each of the Pooled Vehicles, each Customized Fund (and any wholly owned subsidiaries that are also managed by NHC) and the SMA.

## **Item 17. Voting Client Securities**

Except as it relates to certain hedging transactions, NHC solely recommends investments in Underlying Funds and other private structures managed by Underlying Managers, as such, it is highly unlikely that we would ever be in a position to vote proxies or cast votes related to class actions with regard to the securities held by an Underlying Fund. However, Underlying Managers, from time to time, seek votes from investors in Underlying Funds (such as the NHC Clients) regarding amendments to Underlying Fund documentation or waivers for certain conflicts of interest that arise as a result of managing the Underlying Fund. Each agreement with an NHC Client specifies the extent to which NHC is responsible for casting votes. NHC seeks to cast all votes and take similar actions in a manner that is consistent with the best economic interests of the NHC Clients and that is in accordance with our policies and procedures.

## **Item 18. Financial Information**

NHC is required to disclose any financial condition that is likely to impair its ability to meet contractual and fiduciary commitments to clients.

NHC does not have any financial condition that impairs or is reasonably likely to impair its ability to meet its contractual commitments to its clients, and NHC has never been the subject of any bankruptcy petition.

**Item 19. Requirements for State-Registered Advisers**

Not applicable.