

**Item 1. Cover Page**

**FAROL INVESTMENT ADVISERS LP  
FAROL INVESTMENT ADVISERS II LP  
FAROL ASSET MANAGEMENT, LP  
FAROL FUND ADVISORS II, LP**

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**Part 2A of Form ADV  
(the “Brochure”)**

March 29, 2024

This Brochure provides information about the qualifications and business practices of Farol Investment Advisers LP together with its relying advisers Farol Investment Advisers II LP, Farol Asset Management, LP, and Farol Fund Advisors II, LP (collectively, “Farol”). If you have any questions about the contents of this Brochure, or to request a current copy of it free of charge, please contact Robert Azeke at (646) 722-2941 or [robazeke@farol-group.com](mailto:robazeke@farol-group.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.

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

**Item 2. Material Changes**

Farol does not believe that there have been any material changes to this Brochure as of the last filing dated June 8, 2023. Farol's current and potential investors are encouraged to read this Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety.

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

##### *General Description*

Farol Investment Advisers LP (the “Adviser”) is a limited partnership formed on November 26, 2012, under the laws of the State of Delaware with its principal place of business located in New York, New York. The general partner, Farol GP LLC, is the owner of Farol Investment Advisers LP. Robert Azeke is the sole owner of Farol GP LLC.

##### *Description of Advisory Services*

The Adviser is a private equity firm focused on providing customized and proprietary co-investment and direct investment solutions to institutional investors. Interests in the Clients, as defined below, are generally privately offered and intended for institutional and other sophisticated investors including public pension funds seeking alternative and creative ways to boost long-term performance in the private equity asset class and/or those looking to profitably deploy capital in sectors or with a demographic that requires innovative and unconventional strategies and approaches.

The Adviser provides advisory discretionary and non-discretionary investment advisory services to its private pooled investment vehicles (the “Clients”), which are intended for sophisticated and institutional investors, such as public pension funds.

Notwithstanding the foregoing, the Adviser does not limit the type of investment advisory services it offers and there are no material limitations to the types of securities in which it may invest (subject to the terms of the investment management agreement, limited partnership agreement (or other organizational documents) offering documents of any Client (collectively, the “Offering Documents”). The Adviser may invest in any security and in any sector of the market to carry out the overall objectives of its Clients. Such objectives, strategies and policies may be expected to evolve materially over time. The Adviser has flexibility to create or organize (alone or in conjunction with others including affiliates) or otherwise utilize special purpose subsidiaries or other special purpose investment vehicles. In addition, the Adviser may retain sub-advisers, which may be affiliates of the Adviser, to provide investment advice to Clients.

For a description of the investment strategies to be employed by the Adviser, please see Item 8 hereof – “Methods of Analysis and Investment Strategies.”

##### *Availability of Tailored Services for Individual Clients*

The Adviser will tailor its advisory services to the individual needs of its Clients. The Client’s Offering Documents provide more detailed descriptions of each Client’s investment objectives and may contain investment guidelines, policies or restrictions. The Adviser will not tailor its advisory services to the needs of individual investors in a fund (a “Fund Investor”) and does not anticipate accepting Fund Investor-imposed investment restrictions.

##### *Wrap Fee Programs*

The Adviser does not participate in wrap fee programs.

### *Assets Under Management*

As of December 31, 2023, the Adviser had \$422,574,090 of regulatory assets under management, \$96,564,599 of which was managed on a discretionary basis and \$326,009,491 of which was managed on a non-discretionary basis.

## **Item 5. Fees and Compensation**

### *Advisory Fees and Compensation*

For its investment advisory services, the Adviser generally charges a 0.5% to 1% management fee on an annual basis on the commitment amount of capital. In addition, the Adviser generally charges a performance-based fee of 10%, which are subject to certain hurdle rates. The management fee is generally payable quarterly in advance. While Clients are generally not eligible for partial refunds in the case of early withdrawals or redemptions, specific details are set forth in each respective Client's Offering Documents.

The Adviser reserves the right to charge some Fund Investors more or less than other Fund Investors for the same services, depending on various factors, including, for example, the timing of the investment, the number of related investment accounts, or the total size of the Fund Investor's investment with the Adviser. In this regard, at times, the Adviser may waive or modify fees for Fund Investors that are, members, employees or affiliates of the Adviser and relatives of such persons or for certain other investors.

### *Payment of Fees*

Fees charged will either be deducted directly from the Clients' accounts or billed to the Clients' accounts. Terms regarding the payment of fees applicable to any Client are set forth in such Client's Offering Documents.

### *Other Fees and Expenses*

Other fees and expenses that will be payable by a Client will be set forth in detail in the Client's Offering Documents. Subject to limitations set forth in the Offering Documents, such expenses may include, but are not limited to, all of the ordinary and necessary expenses related to the Client's operations including, without limitation, all costs and expenses of the Client incurred in the investigation, holding, purchase, sale or exchange of investments or investment opportunities, fees charged by third party vendors and service providers, travel expenses to the extent incurred in connection with the investigation, making, holding or selling of Client investments, fees and expenses of currency hedges and other bona fide hedging transactions in respect of a Client, and expenses incurred in connection with any litigation involving a Client or a Client investment, interest on borrowed money, real property or personal property taxes on investments, brokerage fees, legal fees, audit and accounting fees, taxes applicable to the Client on account of its operations, fees incurred in connection with the maintenance of bank or custodian accounts, and all expenses incurred in connection with the registration of the Client's securities if required under applicable securities laws or regulations. The Client shall also bear expenses incurred by the Adviser or its affiliate in serving as the tax matters partner, all out-of-pocket expenses of preparing and distributing reports and annual financial statements to the Clients, the cost of liability and other insurance premiums, out-of-pocket costs associated with Client meetings and other meetings with the Client's investors. The Client shall bear all organizational costs, fees, and expenses actually incurred by or on behalf of the Adviser or its affiliate in connection with the formation and organization of the Client, including legal and accounting fees and expenses incident thereto. Although it is not part of the Adviser's general business activities, the Adviser may receive origination or sourcing

fees from non-Clients and the receipt of such fees will not reduce fees otherwise payable by Clients.

#### *Additional Compensation and Conflicts of Interest*

No supervised person of the Adviser will accept compensation for the sale of securities or other investment products.

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

The Adviser charges performance-based fees as discussed in Item 5 above for certain Clients which are set forth in detail in each Client's Offering Documents. The Adviser will negotiate with each Client to determine whether or not performance-based fees will be charged for that particular Client. The amount of any such performance-based fees will vary based on circumstances including but not limited to the size of the account, its use of leverage, hurdle rates, expenses incurred, reporting requirements, and termination provisions all of which are individually negotiated.

It should be noted that, to the extent the Adviser does charge performance-based fees, the Adviser's right to receive such performance-based fees may create an incentive for the Adviser to cause a Client to make investments that are riskier or more speculative than would be the case if the Adviser did not receive such compensation.

Conflicts of interest would be present to the extent that the Adviser charges performance-based fees to certain Clients but not to others. In such an instance, the Adviser would receive compensation based on the returns of the performance-based fee paying Clients and therefore would have an incentive to favor such Clients over the non-performance-based fee paying Clients. The Adviser has adopted an allocation policy to manage potential conflicts.

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

As discussed in Item 4, the Adviser will provide investment management services to its Clients (whose investors include, for example, pension plans, trusts or other institutional investors).

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

#### *Methods of Analysis and Investment Strategies*

For its Clients, the Adviser tailors a range of solutions focused on small to middle market buyouts, large global private equity co-investments, cross-border international investments in emerging markets or opportunistic investments. The Adviser provides direct investment resources, expertise and relationships in a fund or separate account structure that meet the oversight and team involvement requirements of each potential institutional investor.

The Adviser does not engage in the frequent trading of securities. The Adviser's objective is to create portfolios that are well-diversified by industry, geography, sponsor, vintage year and economic cycle. The key principles of the Adviser's investment methods involve a fundamental analysis of each potential investment; ideal investments would possess identifiable value creation drivers, alignment of interests, downside protection, strong management incentives and a clear exit path.

Typical transactions that the Adviser may pursue will include traditional buyouts, buildups/consolidations, recapitalizations, leveraged and unleveraged acquisitions, structured financings, distressed and growth capital transactions. The Adviser aims to work creatively and collaboratively with

its equity sponsors to structure securities with terms and conditions appropriate for each specific transaction and will consider a broad range of security types that generate equity-like returns including, but not limited to, common equity, senior redeemable preferred stock, convertible preferred stock, bridge loans and other debt and equity securities. Investing involves a risk of loss that Clients should be prepared to bear.

*Material Risks of the Adviser's Investment Strategies.*

THE FOLLOWING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE LIST OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN A FUND OR SEPARATE ACCOUNT MANAGED BY THE ADVISER. PROSPECTIVE INVESTORS SHOULD READ THE OFFERING DOCUMENTS OF A FUND OR A SEPARATE ACCOUNT AND CONSULT WITH THEIR OWN ADVISERS BEFORE DECIDING WHETHER TO INVEST. AN INVESTMENT IN A CLIENT IS SUITABLE ONLY FOR SOPHISTICATED EXPERIENCED INVESTORS.

General Investment Risks. There can be no assurance that the Adviser will achieve its investment objectives. Any factor that would make it more difficult to execute timely investments, such as a significant reduction of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Adviser will be successful under all or any market conditions. Investments may decline in value.

No Participation in Management. Investors will not participate in management and are dependent on the Adviser for management of the Client and its investments.

Expenses. Expenses associated with effecting the Adviser's investment objectives, methods and strategies may be materially significant.

Illiquidity. Interests in a Client are highly illiquid, have no public market and are generally not transferable except with the prior consent of the Adviser. Moreover, most of the investments made by a Client are likely to be illiquid. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on the transfer, sale or other disposition made by a Client. Dispositions of investments may be subject to contractual and other limitations on transfer, or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly-traded companies held by a Client may also be subject to legal, contractual, practical or applicable company policy restrictions on transfer or sales, including the possibility that the Client will be in possession of material, non-public information about the company and statutory volume limitations. In addition, the ability to exit an investment through public markets (and terms of such exits) will depend on market conditions, and particularly the market for public offerings. As a result of increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions. This pressure may be greater for midsized or regional banks that have less diversified customer bases or whose customer bases are concentrated in certain industries. Because of the nature of the Client's portfolio companies, there is a risk that they will have exposure to midsized or regional banks that face liquidity pressure. As a result of this environment, certain sectors of the credit markets could experience significant declines in liquidity, and it is possible that the Client will not be able to manage this risk effectively.

Competition. The Adviser expects to encounter intense competition from other entities having similar

business objectives, including venture capital funds, leveraged buyout funds and operating businesses competing for acquisitions. The Adviser expects that its investee companies will compete with other companies in their respective businesses.

Litigation Risks. The Adviser and its investee companies will be subject to a variety of litigation risks.

Limited Access to Information. Although the Adviser generally provides access to material and substantive information concerning a Client, the rights of investors to information regarding a Client and its investee companies will be limited. Decisions by the Adviser to withhold information may have adverse consequences for an investor.

Exculpation and Indemnification. The Offering Documents will contain provisions that relieve the Adviser and its principals and representatives of liability for certain improper acts or omissions.

Legal Counsel. Documents relating to a Client, including the Subscription Documents to be completed by each investor, as well as the Organizational Documents, will be detailed and often technical in nature. Legal counsel to the Adviser will represent the interests solely of the Adviser and will not represent the interests of any investor.

Risks Associated with Underlying Investments. Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises are difficult tasks. There is no assurance that the Adviser will be profitable and there is a substantial risk that a Client's losses and expenses will exceed its income and gains.

Securities Regulations Concerning Private Placements. The Adviser may invest assets directly in securities that are not registered under the Securities Act in reliance upon an exemption from registration pursuant to the provisions of the Securities Act, including those provided by Regulation D. Unless such securities are subsequently registered under the Securities Act, they may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of any applicable securities law (the "Securities Acts"). Therefore, securities purchased pursuant to such exemptions, including Regulation D, are often illiquid, have no public market and are generally not transferable.

Risk Inherent in Private Company Acquisitions. Acquisitions of private companies involve a high degree of risk, including that private companies may have limited financial resources and may require substantial amounts of financing that may not be available; private companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns; private companies are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on an investee company and, in turn, on a Client. Private companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; private companies may be particularly susceptible to economic slowdowns or recessions and may be unable to repay its loans or meet other obligations during these periods; and private companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing, and general management, which, in some cases, cannot be adequately solved. Many risks and uncertainties affect early-stage companies, which often have very limited operating history, profits



or cash flow. There can be no assurance of the success of such enterprises. Their potential must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with new or developing businesses, including technology risks, unproven business models, untested plans, uncertain market acceptance, competition and lack of revenues and financing.

Reliance on Individual Members of the Adviser. Each Client will be particularly dependent upon the efforts, experience, contacts and skills of the individual members of the Adviser. The loss of any such individual could have a material, adverse effect on a Client.

#### Recommendation of a Particular Type of Security

The Adviser will not recommend any particular type of security. There are no material limitations to the types of securities in which the Adviser may invest Clients' assets (subject to anything to the contrary in the relevant Offering Documents of a particular Client). For a complete discussion of the securities in which the Adviser may invest, please see Item 4 hereof – "Advisory Business, Description of Advisory Services," and Item 8 hereof – "Methods of Analysis and Investment Strategies."

#### **Item 9. Disciplinary Information**

There are no known legal or disciplinary events that would be material to Clients' evaluation of the Adviser's advisory business or the integrity the Adviser.

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

Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. The Adviser does not recommend or select other investment advisers for its clients or receive compensation directly or indirectly from such advisers.

Farol Asset Management, LP, a controlled affiliate of the Adviser, is a Delaware limited partnership that provides certain non-discretionary investment advisory services to the Adviser. Farol Fund Advisors II, LP (together with Farol Asset Management, LP and Farol Investment Advisers II LP, the "Relying Advisers"), a controlled affiliate of the Adviser, is a Delaware limited partnership that provides certain investment advisory services to Farol Asset Management, LP. Farol Investment Advisers II LP, a controlled affiliate of the Adviser, is a Delaware limited partnership that provides certain non-discretionary investment advisory services to the Adviser. The Relying Advisers, together with the Adviser, collectively conduct a single advisory business.

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

The Adviser recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its Clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of Clients are paramount; and (iii) it has a fiduciary duty to its Clients to act solely for their benefit. All personnel of the Adviser must put the interests of the Adviser's Clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of the Adviser must also comply with all federal securities laws. In this vein, the Adviser has adopted a Code of Ethics governing personal trading by its personnel. Among other requirements, the Code of Ethics requires personnel who have access to client portfolio information or the Adviser's non-public securities recommendations to pre-clear certain securities transactions and report certain personal securities holdings to the Adviser, and the Adviser reviews such reports. The Code also includes a prohibition on

insider trading and outlines strict policies that dictate how any such information is treated. Supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information (“MNPI”) regarding these securities or communicating MNPI to others. A restricted list is maintained regarding issuers about which the Adviser has MNPI. Clients or prospective clients may obtain a copy of the Adviser’s Code of Ethics by contacting Robert Azeke whose contact information can be found on the cover page of this Brochure.

Affiliates of the Adviser may serve as a general partner and/or managing member of Clients or of entities in which Clients may invest. Neither the Adviser nor a related person recommends to Clients, or buys or sells for Clients, securities in which the Adviser or a related person has a material financial interest, other than potentially as investors alongside a Client.

None of the securities presently owned by the Clients are traded on public markets. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The Adviser does not intend to retain the services of a third-party valuation consultant to assist in performing portfolio company valuations. There is a risk in that the Adviser’s valuations are performed internally by its own team and are not reviewed by an independent third party. There can be no assurances that the projected results will be obtained, and actual results may vary significantly from the valuations.

The Adviser and its related persons may invest their personal funds in a Client, and, therefore, such persons may hold an indirect interest in the same securities as other investors in the Client. Further, a related entity of the Adviser is the general partner of certain of the Clients. In addition, certain employees of the Adviser may own securities in their personal accounts that are also recommended by the Adviser to its Clients. The Adviser has established procedures intended to limit conflicts of interest in cases where the Adviser, a related person or any employee, buys, sells or otherwise has an interest in, securities recommended by the Adviser to its Clients.

## **Item 12. Brokerage Practices**

The Adviser’s primary investment strategy does not involve the execution of securities transactions through a broker-dealer. Rather, the Adviser strategy focuses on securities transactions of private companies. Generally, purchases and sales of such companies are conducted through privately negotiated transactions rather than using a broker-dealer. Nevertheless, the Adviser may distribute securities to limited partners in the Clients or sell such securities using a broker-dealer if a public trading market exists. The Adviser is not currently, but may in the future be, authorized to determine the broker-dealer to be used for securities transactions. Portfolio transactions will be allocated to brokers based upon best execution, which may include consideration of such broker’s provision or payment of the costs of research and other services. In selecting brokers or dealers to execute transactions, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. In selecting brokers and negotiating commission rates, the Adviser will take into account available information regarding the financial stability and reputation of brokerage firms and the brokerage, research and related execution services provided by such brokers (consistent with best execution), although the Client for which the transaction was effected, may not, in any particular instance, be the direct or indirect beneficiary of the research or related services provided.

The Adviser does not pay or receive research or other soft dollars benefits in connection with securities transactions for its Clients. Although the Adviser does not currently have any soft dollar arrangements in place, to the extent the Adviser enters into any soft dollar arrangements in the future, the Adviser will limit the use of “soft dollars” to obtain services that constitute research and brokerage within the meaning of

Section 28(e) of the Securities Exchange Act of 1934. Accordingly, research and related services may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; and statistical and pricing services, along with hardware, software, databases and other technical and telecommunication services, lines, and equipment (including updates, replacement parts, repairs and service thereon) utilized in the investment management process. Research services obtained by the use of commissions arising from a Client account's portfolio transactions may be used by the Adviser in its other investment activities.

The Adviser has discretion over how or when to allocate certain investments between Clients, subject to certain limitations set forth in the Offering Documents for each Client, as well as certain factors described in the Adviser's policies and procedures. Certain conflicts of interest may arise in decisions relating to the allocation of an investment between Clients. Furthermore, there could be an incentive for the Adviser to allocate investments between Clients in a manner that maximizes the carried interest that would be payable by one Client based on the investment performance of one Client over another Client at such time. In accordance with the Adviser's policies regarding allocation of investment opportunities, the investment amount will be allocated on a pro rata basis based upon total capital commitments of each investment vehicle. For any investment that does not meet the investment criteria of one Client, the other Client will either receive 100% of such investment, or, if such investment also meets the investment criteria of another Client, then the investment will be allocated between those Clients on a pro rata basis based upon the then unfunded capital commitments. Any investment allocation described herein will be subject to the then available capital of the applicable investment vehicle. Notwithstanding the foregoing, any follow-on opportunity shall be allocated to the investment vehicle that made the initial investment to the extent of such investment vehicle's available capital. To the extent that more than one Client makes an investment in the same company, certain conflicts of interest may arise between those Clients regarding the disposition of such investment, including the appropriate time, manner and terms on which to effect such disposition.

The Adviser may deem it to be in the best interests of its Clients to reallocate or "cross" securities transactions between client accounts. The Adviser maintains policies and procedures intended to limit the potential conflicts of interest inherent in these transactions. Cross transactions will only be effected if they are deemed to be in the best interests of the particular Clients involved and will be conducted in compliance with such policies and procedures and applicable law.

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

The Adviser's managing director monitors Client portfolios on a periodic basis, but no less frequently than monthly, and more often as specific market conditions and circumstances may dictate.

Each limited partner of the Clients will generally receive (i) within 90 days after the end of each fiscal quarter (other than the last fiscal quarter of any fiscal year) or as soon as practicable thereafter, unaudited information concerning the Client and such limited partner's capital account, (iii) within 120 days after the end of each fiscal year or as soon as practicable thereafter, annual tax information necessary for completion of such limited partner's tax returns and (iv) at the time of delivery of the audited and unaudited financial statements, a description of all investments made and disposed of by the Client during such period and a narrative summary of the status of each such investment

In addition to the above, the Adviser shall use its reasonable best efforts to send, within the required time frame, to each investor financial statements prepared in accordance with generally accepted accounting principles.

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

Generally, the Adviser does not receive compensation from non-Clients. However, although it is not part of the Adviser's general business activities, the Adviser may receive origination or sourcing fees from non-Clients and the receipt of such fees will not reduce fees otherwise payable by Clients.

#### **Item 15. Custody**

Rule 206(4)-2 promulgated under the Investment Advisers Act (the "Custody Rule") (and certain related rules and regulations under the Investment Advisers Act) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful). An investment adviser is deemed to have custody if it or its affiliate serves as a general partner to a limited partnership client of the Adviser.

The Adviser is required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a "qualified custodian." Qualified custodians include banks, broker-dealers, futures commission merchants and certain foreign financial institutions.

Rule 206(4)-2 generally imposes on advisers with custody of clients' funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients' funds or securities. However, the Adviser need not comply with such requirements with respect to pooled investment vehicles if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to the client, or, in certain circumstances, all limited partners, members or other beneficial owners, within 120 days (180 days in the case of a fund of fund adviser) of its fiscal year end. The Adviser intends to rely upon this exception and therefore will be exempt from the Rule 206(4)-2 reporting and examination requirements.

#### **Item 16. Investment Discretion**

The Adviser currently provides discretionary and non-discretionary investment advisory services to its Clients. Prior to assuming discretion in managing a Client's assets, the Adviser enters into an agreement that sets forth the scope of the Adviser's discretion.

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

The Adviser has adopted Proxy Voting Policies and Procedures (the "Procedures") that are designed to ensure that in cases where the Adviser votes proxies with respect to securities of a Client, such proxies are voted in the best interests of the Client. The Procedures also require that the Adviser identify and address conflicts of interest between the Adviser and the Client. If a material conflict of interest exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the Client or take some other appropriate action. The Adviser need not vote all proxies received by a Client. In many instances, the disparate interests of the Client may make it difficult for the Adviser to determine a manner in which to vote. It is the Adviser's general policy not to vote proxies for securities that are not held in a Client account at the time such proxy is received or on the vote date of such proxy. However, if the Adviser does vote, the Adviser shall cast ballots in a manner it believes to be consistent with the interests of the Client and shall not subordinate the interests of the Client to its own. The Adviser will determine whether a proposal is in the best interests of the Client and may take into account the

following factors, among others: (i) whether the proposal was recommended by management and Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance. Clients or prospective Clients may obtain a copy of the Procedures by contacting Robert Azeke whose contact information can be found on the cover page of this Brochure.

## **Item 18. Financial Information**

### *Balance Sheet*

The Adviser is not required to attach a balance sheet because we do not require or solicit the payment of fees six months or more in advance.

### *Contractual Commitments to Our Clients*

The Adviser has no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to our Clients.

### *Bankruptcy Petitions*

The Adviser has never been the subject of a bankruptcy petition.