

## Item I: Cover Page



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This Brochure provides information about the qualifications and business practices of Wembley Strategic Advisory, LLC ("**Wembley**", the "**Firm**", "**we**" or "**us**"). If you have any questions about the contents of this Brochure, please contact Sam Behboudi at (212)-495-9806 or e-mail [sam@wembleysa.com](mailto:sam@wembleysa.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority.

Wembley is a registered investment adviser. Any reference to Wembley as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training.

Additional information about Wembley Strategic Advisory, LLC is also available on the SEC's website at <https://adviserinfo.sec.gov>.

## **Item 2 - Material Changes**

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Item 2 discusses only material changes made since an adviser's last Annual Updating Amendment to its brochure. This Brochure contains several changes from our previous brochure, which was filed on March 31, 2023.

Wembley routinely makes changes throughout its brochure in an effort to improve and clarify the description of its business practices and compliance policies and procedures or in response to evolving industry and Firm practices.

Wembley will update this Brochure no less than annually. We encourage all recipients to read this Brochure carefully in its entirety.

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## Item 4 - Advisory Business

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Wembley is a limited liability company formed under the laws of the State of Delaware. Wembley was founded in 2019 by Sam Behboudi who is the Managing Member and owner of Wembley. The Firm registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940 (the “**Advisers Act**”) in 2019. The Firm operates from a single office in New York, NY.

### Investment Management and Supervisory Services

Wembley provides portfolio management and investment advisory services to ultra-high net worth individuals and their families (each “**Separately Managed Accounts**” and together “**Separately Managed Accounts**”); and special purpose vehicles that are structured as private funds (each a “**Fund**” and collectively the “**Funds**”). Unless otherwise noted, herein in this Brochure, Separately Managed Accounts and the Funds each a “**Client**”, “**Client Account**” and collectively the “**Clients**” or “**Client Accounts**”. As a fiduciary, Wembley acts in the Clients’ best interest. Wembley fulfills its obligation by working closely with Separately Managed Accounts Clients to identify and understand their investment objectives while building a long-term relationship.

Wembley offers discretionary and non-discretionary investment advisory services tailored to each Separately Managed Account as described in more detail in such Separately Managed Account’s investment management agreement (“**IMA**”) between the account owner and Wembley. The terms, nature and scope of the advisory services provided by Wembley to its Separately Managed Accounts and to prospective investors in a Separately Managed Account are subject to negotiation by Wembley and the applicable investor, based on the investor’s specific financial and investment objectives, risks and goals. The Separately Managed Accounts have individual investment guidelines and objectives, as detailed in their respective IMA. Wembley cannot transfer the management of a Separately Managed Account’s to another party without the Separately Managed Account’s express written consent.

Separately Managed Account Clients generally sign a five (5) year IMA and can terminate by providing six (6) months notice after the third anniversary of the effective date of the IMA.

Wembley develops integrative wealth and investment strategies for its Clients and focuses on investing in equity and equity-related securities, fixed income, currencies, commodities, structured credit products, direct and indirect investments in real estate and other assets, and alternative investments.

Wembley identified and may also identify in the future certain investment and co-investment opportunities in other business ventures (“**Private Investments**”). Upon Separately Managed Account Client request, Wembley sources and conducts due diligence on Private Investments in accordance with the Separately Managed Account Client’s IMA or Governing Documents (described below). Such investment advisory services are non-discretionary.

Wembley also sources single asset investments for Separately Managed Accounts who express an interest in such investment opportunities. Wembley structures and manages the **Funds** to facilitate such investments. Wembley provides investment advisory services directly to the Funds and not to the individual investors in the Funds. Wembley tailors its advisory services to the needs of the Funds but not to the individual needs of underlying investors. Wembley provides discretionary investment advisory services to the Funds and manages the Funds in accordance with the investment objectives and limitations set forth in each Fund’s offering memoranda, governing documents, subscription agreements, side letters, limited partnership agreements, IMAs and other relevant documents between Wembley and the Funds

(collectively, “**Governing Documents**”), as applicable. The general partner of each Fund is an affiliate of Wembley.

Wembley’s advisory services are further described below under “Item 8- Methods of Analysis, Investment Strategies and Risk of Loss.”

Wembley does not participate in wrap fee programs.

### **Assets under Management (Regulatory Assets Under Management)**

As of December 31, 2023, Wembley has \$660,047,852 regulatory assets under management (“**RAUM**”) of which \$222,570,043 are managed on a discretionary basis and \$437,477,807 are managed on a non-discretionary basis.

### **Item 5 - Fees and Compensation**

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**Separately Managed Account Fees.** Separately Managed Accounts generally pay an annual management fee (the “**Management Fee**”) which will vary depending on a Separately Managed Account ; however, the Management Fee will not to exceed 2% of the net asset value (“**NAV**”) of Separately Managed Account. The Management Fee is an annual flat fee for Wembley discretionary and advisory services, regardless of Separately Managed Account's NAV, payable quarterly in advance as describe in more detail in each Separately Managed Account IMA. The Separately Managed Account Clients shall direct or otherwise cause the custodian to deduct and pay such Management Fee from the Client Account to Wembley within 30 days after receipt of Wembley’s invoice for the relevant period. The Separately Managed Accounts may also select to pay the Management Fee separately from the custodian account. If there are insufficient assets in the Separately Managed Accounts to pay the Management Fee or Performance Fees (described below under “Item 6- Performance-Based Fees and Side-By-Side Management”), Wembley could sell assets in the Separately Managed Accounts as necessary to generate sufficient cash to pay such fees.

The Management Fees may vary based on the size of a Separately Managed Account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by Wembley and a Separately Managed Account in accordance with the applicable Client’s Governing Documents. The calculation, timing and amount of such compensation, as well as any adjustments to be made to such amounts, will be agreed upon by the Separately Managed Account and Wembley, and set out in the IMA and/or in the Separately Managed Account’s Governing Documents.

For Private Investments that are pursued under a separate agreement, Clients will approve due diligence expenses and be responsible for reimbursing Wembley pursuant to terms of separate agreement.

Wembley’s Management Fee includes compensation for the advisory services however Clients are responsible for all trading commissions, expenses or charges related to (a) custodial services provided for the Client Accounts, (b) transactions effected for the Client Accounts or (c) any other service provided for the Client Accounts by any person other than Wembley. Any such additional fees, commissions, expenses or charges shall be borne by each respective Client in accordance with such Client’s Governing Documents.

**Fund Fees.** The Funds compensate Wembley for its advisory services through Management Fees, payable in advance in United States Dollars on a quarterly basis. Each Fund has a specific fee structure and Management Fees charged are up to 2%. Wembley is also entitled to receive

carried interest (described below under “Item 6- Performance-Based Fees and Side-By-Side Management”).

The Funds also pay organizational and legal costs to structure the vehicles administrative, accounting, auditing, operating costs and out of pocket expenses associated with disposing of investments, valuation and other such expenses as more fully described in the respective Fund’s Governing Documents.

**Fund of Funds Fees.** Wembley’s Clients also utilize a “fund-of-funds” investment strategy, pursuant to which their assets will be invested with other investment advisers. Investment management compensation is charged to Clients both by the Firm and by the investment advisers with which assets are invested. As a result, Clients will bear multiple investment management fees, which in certain cases include both fees based on assets under management (or committed capital) and fees based on capital appreciation, which in the aggregate can exceed the compensation which would typically be incurred by an investment with a single portfolio manager.

Wembley intends to deliver this Brochure only to “accredited investors” within the meaning of Rule 501 of Regulation D of the Securities Act of 1933, as amended (the “Securities Act”); and therefore, is not required to disclose its Clients’ fee schedules.

Wembley or a general partner generally has the discretion to negotiate, waive, modify or reduce the fees and/or allocations to be paid or made with respect to any investor or class of investors in a Client, including Wembley’s affiliates or employees.

**Clients and prospective investors in the Funds should carefully review the Governing Documents of the applicable Client for further information about the fees charged to investors. Such documents are available only to investors who are eligible to invest in such Client, as determined in the sole discretion of Wembley.**

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

Under a separate agreement, Wembley will source, conduct due diligence, negotiate pricing and conduct ongoing monitoring for Private Investments. Wembley will update Separately Managed Account Clients throughout the Private Investment process, and each Separately Managed Account will approve any and all expense to be incurred by Wembley in accordance with the separate agreement with such Separately Managed Account. Separately Managed Account Clients have complete discretion on approving or rejecting the Private Investment. Wembley will charge performance-based fees (the “**Performance Fee**”) specific to Private Investments sourced and monitored by Wembley. For each single Private Investment, a Performance Fee of 10% of the net gain, if any, on such Private Investment will be payable upon the receipt of proceeds from such Private Investment in excess of the aggregate cost of such Private Investment. Aggregate costs shall mean the aggregate amount of (a) funds of a Separately Managed Account used to acquire securities or other interests in the Private Investment, (b) interest or other financing costs paid with funds of a Separately Managed Account in connection with the Private Investment, (c) initial costs paid with funds of a Separately Managed Account or otherwise reimbursed by a Separately Managed Account, (d) ongoing costs paid with funds of a Separately Managed Account or otherwise reimbursed by a Separately Managed Account, and (e) all other costs or expenses relating to the Private Investment paid with funds of a Separately Managed Account or otherwise reimbursed by a Separately Managed Account. Multiple investments in a single entity or project shall be treated as a single Private Investment, even if such investments are made on different dates and reflect different types of interests in such entity or project.

For the Funds, pursuant to the respective Governing Documents, Wembley is entitled to receive carried interest of 20% of distributions in excess of an amount equal to each member's aggregate capital contributions.

**Conflicts of Interest Related to Performance-Based Compensation/ Carried Interest and Varying Fee Rates.** A significant percentage of appreciation that would otherwise be allocated to the investors in a Client that is subject to a performance-based allocation/ carried interest or distribution will instead be paid to Wembley or its affiliate. However, other Clients (and, therefore, the investors) do not pay such performance-based compensation to Wembley, and/or could pay lower amounts of performance-based/ carried interest compensation to Wembley than certain of Wembley's other Clients (and the investors). This gives rise to a potential conflict of interest, as it would provide Wembley an incentive to favor those Clients that pay higher amounts of performance-based/ carried interest compensation to Wembley over those other Clients that pay lower amounts of such compensation, for example, seeking to direct more profitable investments to Clients that are subject to more lucrative compensation arrangements with Wembley. However, Wembley believes that this potential conflict is mitigated for the Separately Managed Accounts by the nature of its advisory relationships with the Separately Managed Accounts, each of which is expected to generally be limited to a specific underlying investment opportunity that is identified to and has to be approved by the Separately Managed Account. Wembley therefore generally will not have the opportunity to preferentially direct or allocate investment opportunities among various advisory Separately Managed Accounts based on the fees to be received by Wembley. Further, Wembley subjects each potential investment in the Funds or Separately Managed Accounts managed on a discretionary basis to an extensive due diligence process. Further, the Firm is committed to fulfilling its fiduciary duty to its Clients to act at all times in their best interest. Wembley's policies and procedures prohibit the allocation of investment opportunities based on anticipated compensation or profits to Wembley, any affiliates or their professionals. For a discussion of potential conflicts of interest that could exist, please see "Item 8- Methods of Analysis, Investment Strategies and Risk of Loss" and "Item 11- Code of Ethics—Participation or Interest in Client Transactions" below.

## **Item 7 - Types of Clients**

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Wembley provides investment advice to ultra-high net worth individuals, their families and institutional investors who seek to obtain investment exposure to identified equity and equity-related securities, fixed income, currencies, commodities, structured credit products, direct and indirect investments in real estate and other assets, and alternative investments through Separately Managed Accounts and the Funds that are designed to invest and reinvest their capital over time.

Interests in the Funds are purchased only by eligible investors who are "accredited investors" for purposes of Section 3(c)(1) within the meaning of Rule 501 of Regulation D of the Securities Act.

The investors in the Funds generally include high net worth individuals. The investors in the Funds can include other types of investors from time to time.

**Side Letters.** Wembley on its own behalf or on behalf of a Client, without the approval of any investor or any other person, has entered into certain side letters or other supplemental agreements with one or more investors that have the effect of establishing rights under, or altering or supplementing the terms of, or providing an interpretation of, certain provisions of a Client's Governing Documents (each such side letter, agreement or contract, a "Side Letter"), including, without limitation, varying fee structures or economic arrangements, allowing for varying arrangements with respect to the scope and frequency of information

provided about the Client or its assets, adjustments to otherwise applicable Client distributions or providing for more favorable transfer terms. Any terms contained in a Side Letter to or with a Side Letter grantee will govern with respect to such Side Letter grantee notwithstanding the provisions of the Governing Documents. The general partner will make available to each investor a compilation of all of the substantive provisions (except as provided in a Client's Governing Documents) of all such Side Letters promptly after the offering expiration date and if specially requested by an investor and investors are permitted to obtain certain of the rights under such Side Letters to the extent provided in a Client's Governing Documents. However, unless otherwise agreed by the general partner in writing, an investor will be unable to elect to receive the benefit of such Side Letters and, as a result of such Side Letters, certain investors could receive additional rights or benefits which other investors will not receive. Investors will have no recourse against a Client, the Firm and/or any of their affiliates in the event that certain investors receive additional and/or different rights and/or terms as a result of such Side Letters.

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

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Wembley will manage individualized portfolios for Separately Managed Account Clients based upon their personal objectives, goals and risk tolerances in accordance with each Separately Managed Account's IMA. The investment strategies principally employed by Wembley in exercising its investment direction over Separately Managed Accounts involves investing in publicly traded equities and equity-like securities including options; however, subject to the investment guidelines of the IMA, Wembley may be authorized to invest in a wide-range of securities. Wembley will typically have full authority and discretion to trade such instruments as cash and money market instruments, common and preferred stocks, rights, warrants, bonds, notes, debentures, exchange traded funds, mutual funds, swaps and other derivative contracts, repurchase and reverse-repurchase agreements, and other securities of every name and nature and rights in respect thereof, (ii) to write, buy and sell options on securities, (iii) to sell short, on margin or otherwise, and to cover such short sales, and (iv) to borrow funds for the purpose of trading on margin and to execute such assignments, instruments of transfer, orders and other instruments and to enter into such agreements as may be necessary or proper in connection with the management of the Separately Managed Account.

Wembley's investment approach is a combination of top-down fundamental analysis and event-driven strategies. Wembley seeks to identify companies where value is unrealized or unappreciated by consensus investors in the market. The Firm looks to invest in situations poised for significant capital appreciation and builds Client portfolios to take advantage of these opportunities. Wembley's investment approach focuses on macro analysis of the global economies' prevailing trends and data. Once a broader sub-asset allocation decision is made, as well as a geographic allocation (based on the Client's currency requirements), the Firm will look at and analyze the relevant single securities for investment opportunities. The investment decision will revolve around a specific securities' fundamental outlook determined by the securities' balance sheet, income statement, and cash flow analysis.

Wembley aims to mitigate risk and protect investor capital both through our due diligence, investment research process and security selection. Subject to the investment objectives, guidelines and restrictions of each Client's Governing Documents, Wembley may also from time to time use options and derivatives at the position and portfolio level where appropriate to mitigate risk and protect our Client's capital.

Wembley's investment process for the sourcing and due diligence of alternative investments will be focused on the fund managers and will involve an assessment of the following, including, but not limited to: the investment's historical track record, the fund's investment landscape (i.e., are the fund's sector and geographic focus in line with the Client's investment objectives),

operational due diligence performed on the fund's auditors, back office, and accounting, an assessment of the fund's CIOs and broader investment team, as well as the management's alignment of interest and investment in the fund, an analysis of all the fund's offering materials and documentation, any opportunities for co-investments, and the fund's ability to add value to the portfolio companies, including assessing the portfolio companies' growth in value as a result of EBITDA improvement against margin improvement and increasing multiples.

At the culmination of our research and due diligence process, investment ideas that are deemed attractive are considered for inclusion in the Client Account. All discretionary investment decisions and their relative weighting in a Client's Account are determined by Sam Behboudi in accordance with each Client's Governing Documents.

### **Private Investments**

Wembley seeks to invest opportunistically in quality assets. Wembley sources opportunities through financial institutions, family offices and other networks developed through Sam Behboudi's experience in the financial industry.

Wembley monitors macroeconomic and microeconomic and asset-specific trends to identify opportunities. Wembley tailors and adapts Separately Managed Account Client's objectives to invest in Private Investments to changing market conditions and seeks to identify situations to generate proceeds by investing in unique investment opportunities. Once opportunities are identified, a non-disclosure agreement is executed that allows Wembley to conduct extensive due diligence on individual investment opportunities. Wembley evaluates risks on a transaction-by-transaction basis and, as a result, creates an investment structure to express Separately Managed Account Client's investment objectives. During the due diligence process, Wembley communicates with each Separately Managed Account Client interested in a specific Private Investment and receives approval to continue to throughout the investment stages through the approval of Private Investment. Wembley does not have investment discretion with Private Investments.

### **Risk of Loss**

The following are certain of the material risks involved in our investment strategy. This list does not purport to be a complete enumeration or explanation of the risks involved in such strategy.

### **Trading Risk**

An investment in a Client Account managed by Wembley is speculative and involves a high degree of risk. Wembley may employ certain trading techniques, such as short selling, options trading and the use of leverage, that may increase the risk of investment loss. Because the Client Account s invest primarily in public equities, Wembley believes their primary risk of loss is associated with portfolio construction, security selection and broad market movements. Wide and sudden fluctuations in market value can occur. Prospective investors are strongly urged to consult with their own financial, legal and tax advisors, before investing.

### **Short Sales**

We may recommend or engage in short selling of securities, currencies, or indices, including all forms of derivatives. Short selling involves the sale of a security that the investor doesn't own and must borrow in order to make deliver in the hope of purchasing the same security at a later date at a lower price. A short sale will result in a gain if the price of the instrument sold declines sufficiently between the time of the short sales and the time which another is

purchased to replace it. A short sale will result in a loss if the price of the instrument sold short increases or does not decline sufficiently to cover transaction costs.

Selling securities short risks losing an amount greater than the proceeds received due to the lack of an upper limit on the price in which an investment can rise. In addition, the supply of securities that can be borrowed fluctuates from time to time. An investor may have losses if a security lender demands return of lent securities and an alternative lending source can't be found.

## **Options**

Wembley could invest portions of generally Separately Managed Account Client assets into options, including purchasing or writing put and call options. Like equity securities, options carry no guarantees of profit and are subject to a wide variety of market and risk factors. Investments in options involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include risk: (i) that the counterparty to a transaction may not fulfil its contractual obligations; (ii) of mispricing or improper valuation; and (iii) that changes in the value of the option may not correlate perfectly with the underlying asset, rate or index. Be aware it is possible to lose the entire principal invested, and sometimes more. As an options holder, you risk the entire amount of the premium you pay.

Option prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. It is possible that certain options might be difficult to purchase or sell, possibly preventing from executing positions at an advantageous time or price, or possibly requiring disposal of other investments at unfavorable times or prices in order to satisfy a portfolio's other obligations.

## **Leverage**

We may leverage investment positions by borrowing funds from securities broker dealers, banks or others. While leverage presents opportunities for increasing the total return on an investment, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a Client would likely be magnified to the extent that any of them are leveraged.

## **Equity Securities**

Common stocks and other equity securities generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price could decline as a result of poor decisions made by management, lower demand for the company's services or products or if the company's revenues fall short of expectations. There are also risks associated with the stock market overall; in particular, the stock market may experience periods of turbulence and instability.

## **Counterparty Risk**

The Client Accounts will deposit all or substantially all of their assets with its brokers and may choose not to use a bank custodian to hold their assets. Rule 15c3-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") requires a broker-dealer to segregate a customer's cash and fully paid-for securities from the broker-dealer's own assets. If the

broker-dealer fails to do so, the Client Accounts may be subject to risk of loss of the assets held by the broker-dealer in the event of the broker-dealer's bankruptcy. In the event of a failure of a broker-dealer used by the Client, the U.S. Securities Investor Protection Corporation provides a maximum of \$500,000 of account insurance per entity, subject to a limit of \$250,000 for cash. If the Client Account's assets on deposit exceed these amounts, the Client Accounts may receive only a pro rata share of the remaining assets deposited with the failed broker-dealer.

### **Illiquid Securities; Special Investments**

Wembley could allocate to securities or other assets that are not readily marketable, including securities of private companies, restricted securities of public companies (*i.e.*, securities the disposition of which are restricted under applicable securities laws), OTC options and certain other derivatives. It could be difficult to readily dispose of illiquid investments in the ordinary course of business as illiquid assets could take a number of years to dispose of. A Client generally will not be able to sell its illiquid investments publicly unless their sale is registered under applicable U.S. federal, state, or other securities laws, or corresponding laws of non-U.S. jurisdictions, unless an exemption from such registration requirements is available. In some cases, a Client may be prohibited by contract or regulatory requirements from selling its investments for a period of time.

### **Private Funds**

A Separately Managed Account Client's may be invested in pooled invested vehicles sponsored by third-party managers. Wembley will not have an active role in the management of the assets of the underlying funds, including the valuation by the underlying funds of their investments. A Separately Managed Account Client's ability to withdraw from or transfer interests in such funds is limited. Furthermore, the performance and success of each underlying fund will depend on the management of the underlying manager.

### **Alternative Investment Manager Risks**

Wembley could recommend that Separately Managed Account Client assets be invested with alternative investment managers, including Independent Managers, who make their trading decisions independently. It is possible that one or more investment managers may take investment positions that are opposite of positions taken by other investment managers. Some investment managers may have overlapping strategies or portfolios and thus could accumulate large positions in the same or related instruments at the same time. Wembley may not have access to information regarding the underlying investments made by the investment managers or investment funds and thus may not be able to mitigate the associated risks of concentration or exposure to specific markets or strategies. Because each investment manager will trade independently of the others, the trading losses of some investment managers could offset trading profits achieved by other investment managers. In addition, investment managers may compete for similar positions at the same time.

### **Activities of Alternative Investment Managers and Alternative Investment Funds**

Wembley will have no control over the day-to-day operations of any unaffiliated alternative investment fund or investment manager. As a result, there can be no assurance that every alternative investment fund or investment manager will invest on the basis expected by Wembley. Furthermore, because Wembley will have no control over any investment fund's or investment manager's day-to-day operations, Separately Managed Account Clients may experience losses due to the fraud.

### **Limited Operating History**

Wembley has a limited operating history for prospective Clients to evaluate prior to selecting us as an investment adviser.

**Key Man Risk**

As the principal owner of Wembley, Mr. Behboudi is critical to the Wembley's management of Client accounts and the management of the Firm. However, Wembley does not maintain possession of Client assets. Accordingly, any succession plan implemented by the Wembley or any termination of a Client's agreement with Wembley after the departure of Mr. Behboudi would not affect the maintenance of Client assets at the relevant custodian in the name of the Client.

**Operational Risk**

Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. We maintain controls that include systems and procedures to record and reconcile transactions and positions, and to obtain necessary documentation for trading activities.

**Long Term Investments**

Wembley's strategy will frequently require longer-term holding periods for its positions and Private Investments in order to be successful and such investments may experience considerable price volatility over such holding periods. In addition, such investments are generally illiquid.

**Valuation**

Wembley may invest in securities or Private Investments which are illiquid or very thinly traded. These investments may be extremely difficult to ascribe a market value, at specific points of time. Third party pricing information may not be available for certain positions held by Clients.

**Leverage**

Certain Private Investments may include companies whose capital structures have significant leverage. Due to such leverage, such companies may be more sensitive to adverse business or financial developments or economic factors. In an environment of rising interest rates a leveraged company may have increased interest obligations associated with its indebtedness. As such, the company's cash flow could be severely impaired resulting in the value of the portfolio company being significantly reduced or eliminated.

**Portfolio Company Management Risks**

The management team of a Private Investment company may have a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance.

**Reliance on Corporate Management and Financial Reporting**

The Private Investment that may be recommended by Wembley will rely on the financial information made available by each portfolio company. Wembley may be limited in its ability to independently verify the financial information disseminated by any such portfolio company

and is, therefore, dependent upon the integrity of both the management of such company and its financial reporting process in general.

### **Economic Conditions**

Changes in economic conditions, including, for example, interest rates, inflation rates, currency and exchange rates, industry conditions, competition, technological developments, trade relationships, supply-chain disruptions, economic sanctions, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the investment performance of the Funds. Economic, political and financial conditions, or industry or economic trends and developments, may, from time to time, and for varying periods of time, cause volatility, illiquidity or other potentially adverse effects in the financial markets. Economic or political turmoil, a deterioration of diplomatic relations or a natural or man-made disaster in a region or country where Client assets are invested may result in adverse consequences to such Clients. As of the beginning of 2023, there is an especially high degree of economic uncertainty given elevated inflation, a rapid increase in interest rates by central banks, and a high level of geopolitical uncertainty in Europe and Asia. The likelihood of a recession, and the magnitude of any such recession, is highly uncertain and would have significant implications across asset classes. None of these conditions is or will be within the control of Wembley, and no assurances can be given that Wembley will anticipate these developments. In addition, due to the recent bank failures, there is a risk of loss of deposits in excess of \$250,000, risks surrounding liquidity concentration, systemic risk regarding the failure of other banks, and increased compliance costs associated with diversifying deposits among multiple banks.

### **Exposure to Material, Non-Public Information**

From time to time, Wembley employees receive material, non-public information with respect to an issuer of publicly traded securities resulting from professional and/or personal channels. In such circumstances, Clients may be prohibited, by law, and policies and procedures for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

### **Custody Risk**

Wembley is required to maintain certain client assets with a qualified custodian. Clients may incur a loss on securities and cash held in custody in the event of a custodian's or sub-custodian's insolvency, negligence, fraud, poor administration or inadequate recordkeeping. Generally, deposits maintained at a bank do not become part of a failed bank's estate; however, Wembley's operations could be impacted by the bank's insolvency in that there may be a delay in access to liquidity, trade settlement, delivery of securities, etc. Establishing multiple custodial relationships could mitigate custodial risk in the event of a bank failure.

### **Epidemics and Pandemic Outbreak**

Pandemics or epidemics and reactions to such an outbreak could cause uncertainty in markets and businesses, including Wembley's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. Wembley has policies and procedures to address known situations, but because a large outbreak may create significant market and business uncertainties and disruptions, not all events that could affect Wembley's business and/or the markets can be determined and addressed in advance.

**Business Continuity Risk**

Wembley's business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolong power outages. Although Wembley has implemented, or expects to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on Wembley and its ability to manage clients.

**Cybersecurity Breaches and Identity Theft**

Wembley and the Clients' information and technology systems are subject to a number of different threats or risks that could adversely affect the Clients and its investors. Although Wembley has implemented various measures to mitigate these risks and protect the security of its computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Clients and its investors, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Wembley and/or the Clients could be materially adversely affected. For example, these systems are subject to damage or interruption from computer viruses, network failures, computer and telecommunication failures, security threats (including ongoing cyber security threats to and attacks on information technology infrastructure), infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals.

The service providers of the Clients are subject to the same information security threats. If a service provider fails to adopt or adhere to adequate data security policies, or if the service provider's network is breached, information relating to the transactions of the Clients and personally identifiable information of the investors (and beneficial owners thereof) may be lost or improperly accessed, used, or disclosed.

**Regulatory/Legislative Developments Risk**

Regulators and/or legislators may promulgate rules or pass legislation that places restrictions on, adds procedural hurdles to, affects the liquidity of, and/or alters the risks associated with certain investment transactions or the securities underlying such investment transactions. Such rules/legislation could adversely affect the value associated with such investment transactions or underlying securities.

Future legal, tax and regulatory changes could occur that may adversely affect business and require additional reporting for registered investment advisors. The SEC, other regulators and self-regulatory organizations and exchanges have taken various extraordinary actions in connection with market events and may take additional actions. Registered investment advisors may also be adversely affected by changes in the enforcement or interpretation of existing laws, rules and regulations, including tax laws, by federal, state and non-U.S. agencies, courts, authorities or regulators.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with Wembley's investment program or an investment in any Client. The underlying investments or activities of alternative investment managers and alternative investment funds in which Wembley invests may be subject to unique risks and considerations not discussed herein. For specific information regarding the risks of investing in a particular Client and the types of securities issued by that Client, investors should refer to that Client's Governing Documents and subscription documents. Prospective investors must**

**consult their own advisers before deciding whether to make such an investment, and should carefully review the organizational and subscription documents of the applicable Client, together with all information provided by or on behalf of Wembley with respect to the associated investments, before deciding whether to invest. Such documents are available only to current investors or prospective investors who are eligible to invest in such entities, as determined in the sole discretion of Wembley.**

#### **Item 9 - Disciplinary Information**

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Wembley has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

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

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Wembley is not affiliated with any other financial industry activities.

#### **Item 11 Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

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##### **Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act**

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics and Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which the Managing Member and future employees (each an employee and collectively the “employees”) of Wembley or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion. The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must place the interests of our Clients first at all times;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at Wembley.

All Wembley employees are deemed to be “Access Persons” and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality, personal trading practices, the prohibition of engaging in insider trading, and the misuse of material, non-public information. All employees are required to certify their adherence to the Code of Ethics and Employee Investment Policy. By doing so, they are encouraged to report violations to the Code of Ethics to the CCO

In addition, employees may not acquire securities for their own account in an initial public offering or limited offering without pre-clearance from the CCO. Employees are prohibited from personally, or on behalf of Clients, purchasing or selling securities that appear on the Firm’s Restricted List. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private placements. Initially, the CCO will receive pre-clearance from the Separately Managed Account Clients when entering into any personal securities transactions, initial public offerings, outside business activities or private placements.

Future employees must direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies. Employees

are prohibited from investing in individual securities without obtaining pre-clearance from the CCO.

These policies apply to any personal transactions involving equity, debt, options, or futures. This policy does not apply to transactions involving government securities, open-end mutual funds, broad based index products, exchange traded funds, money market funds or other instruments which afford the investor no discretion over individual securities. Wembley's Code of Ethics and Employee Investment Policy are available to Clients upon request.

For Fund investments, Sam Behboudi will invest in the vehicles along with other investors and is responsible for the payment of pro-rata expenses, but does not pay Management Fee or Performance Fee.

### **Private Investments**

Clients acknowledge that because Wembley will receive a performance-based fee/ carried interest on profitable investments, but will not share in losses, Wembley will have different interests than Clients and may be incentivized to take greater risk. Separately Managed Account Clients must approve all Private Investments. In accordance with each Client's Governing Documents, Sam Behboudi invested and may also from time to time invest alongside Client via a co-investment opportunity to better align interests of Client and Wembley.

From time to time, there may be an occasion whereby a Private Investment could be allocated to multiple Clients. In such circumstances, Wembley will present the investment opportunity to all eligible Clients and will receive approval to continue pursuing the Private Investment or receive a written rejection from a Client thus, allowing a different Client to pursue such Private Investment. Wembley allocates investment opportunities among multiple Clients generally pro-rata based on capital commitments and in accordance with the Firm's investment allocation policies and procedures.

### **Item 12 - Brokerage Practices**

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Wembley has discretionary authority to manage the Client Accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Our authority is governed by the terms of the IMA and or Governing Documents with the Client Account.

In selecting an appropriate broker dealer to affect a Client trade, we seek to obtain "best execution," meaning generally the execution of a securities transaction for a Client in such a manner that a Client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker dealer, as well as a broker dealer's full range and quality of services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

For Client Accounts whereby Wembley does not have discretionary authority, under this relationship, Wembley consults with the Client prior to executing trades in the Client's account. Clients dictate who they choose as custodian; therefore, Wembley cannot assure best execution of non-discretionary transactions.

**Aggregation of Orders**

We will generally aggregate trade orders for multiple Client Accounts, which are custodied at the same custodian to achieve more efficient execution or to provide for equitable treatment among the accounts. The Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

**Allocation**

Our policy prohibits any allocation of trades in a manner that favors personal trading accounts or any particular Client(s) or group of Clients over other Client Accounts. We have adopted a policy for the fair and equitable allocation of transactions that generally analyses each trade on an investment by investment basis, taking into consideration the specifics of each trade and the characteristics of each Client Account. To the extent that multiple Clients participate in a particular transaction such transaction will generally be allocated pro-rata among such Client Accounts, unless facts specific to the transaction and the trade warrant an alternative allocation methodology. Allocations of investment opportunities among Clients will generally be based on specific investment strategy, investment objectives, portfolio and regulatory constraints, reserve positions and restrictions as described in more detail in each Client's Governing Documents and Wembley's investment allocation policies and procedures.

**Trade Errors**

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the Client Accounts. In the event any error occurs in the handling of any transactions due to Wembley's actions, or inaction, or the actions of others, our policy is to assess each trade error on a case-by-case basis.

**Research and Soft Dollars**

Wembley has no active soft dollar arrangements.

Wembley does not believe that these arrangements are material to its selection of brokers and has implemented the aforementioned policies and procedures to ensure best execution. These practices are in compliance with Securities and Exchange Commission Rule 28(e), a safe harbor provision which provides that there is no breach of the fiduciary duty to clients when participating in soft dollar arrangements if the manager determines in good faith that the amount of the commission is reasonable in relation to the value of these services.

**Item 13 - Review of Accounts**

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The Client Accounts are reviewed on an ongoing basis by Mr. Behboudi as Portfolio Manager and CCO to assure conformity with investment objectives, restrictions and guidelines.

We engage in active management for the Client Accounts and, accordingly, review our transactions, positions and cash balances on a daily basis.

Clients receive account statements directly from their chosen custodian on at least a quarterly basis. Wembley supplements these custodial statements each quarter. Wembley may provide additional reports during Client meetings or upon request.

Private Investments are monitored periodically. Clients will receive an updated asset report on their Private Investments quarterly.

Investors in the Funds generally receive the following regular reports: (i) after the end of each fiscal year of the Funds, annual audited financial statements (including a balance sheet, income statement and statement of changes in net assets) for the recently completed fiscal year; (ii) unaudited financials for the first three quarters of each fiscal year; (iii) annual tax information necessary for the completion of investor's US federal, state and local income tax returns; or (iv) descriptive investment information for each Fund.

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**Item 14 - Client Referrals and Other Compensation**

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No one, other than Wembley's Clients, provides an economic benefit to the Firm for providing investment advice or other advisory services to the Clients.

We do not currently utilize any third-party marketers or solicitors; however, it is possible that we may engage third party marketers or solicitors in the future. Furthermore, Wembley does not use compensated testimonials or endorsements in its marketing materials. In the scenario where we engage third party marketers or solicitors or incorporate compensated testimonials or endorsements, the brochure will be updated in accordance with the testimonials and endorsement provisions of Rule 206(4)-1 under the Advisers Act of 1940, as amended (the "**Marketing Rule**").

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**Item 15 - Custody**

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The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of Client funds or securities. The Rule requires advisers that have custody of Client funds or securities to implement a set of controls designed to protect those Client assets from being lost, misused, misappropriated, or subject to financial reverses.

Pursuant to Rule 206(4)-2, we are deemed to have custody of our Client Account's funds and securities because (i) we are entitled to debit fees directly from the accounts of such Clients. Wembley does not claim custody of Separately Managed Accounts since custody is solely because fees are debited directly from Client Accounts. Wembley has no authority to transfer funds out of Separately Managed Accounts.

The qualified custodian of each Client Account sends or makes available, on a monthly basis or more frequently, account statements directly to each client. We urge Clients to carefully review these account statements from their qualified custodians and compare the information therein with any financial statements or information received or made available to clients through us or any other outside vendor.

Wembley does not have discretion of, or custody, of Private Investments.

Wembley is deemed to have custody of Fund assets because the Firm serves as a Manager of each of the Funds. The Funds are subject to an annual audit by an independent auditor subject to public company accounting oversight board ("PCAOB") oversight, and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles, issued with an unqualified opinion, and distributed within 120 days of the Funds' fiscal year end.

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**Item 16 - Investment Discretion**

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Wembley provides discretionary and non-discretionary advisory services to Separately Managed Accounts. For those Separately Managed Accounts that Wembley has discretion,

Wembley has authority to supervise and direct, on an ongoing basis, the investments of the Separately Managed Account in accordance with predetermined investment objectives and guidelines as described in more detail in the Separately Managed Account's IMA. We are authorized, in our discretion and without prior consultation with the Client, to: (1) buy, sell, exchange, and otherwise trade any stocks, bonds or other securities or assets (2) place orders and negotiate commissions (if any) for the execution of all transactions in securities with or through such broker dealer underwriters or issuers, and (3) make direct and indirect investment in real estate or other assets. Any limitations to such authority will be communicated by the Separately Managed Account Client to us in writing.

Wembley monitors non-discretionary Separately Managed Accounts for overall portfolio analysis, risk assessment and diversification. Wembley does not have authority to execute trades in non-discretionary Separately Managed Accounts.

Investment in all Private Investments is on a non-discretionary basis.

Wembley has full discretion to manage the business of the Funds and has discretionary investment authority to manage the making of new investments by those Funds and the management of the existing investments held by those Funds. This authority is provided for in each such Fund's Governing Documents, subject to the investment objectives, policies and restrictions set forth in such Governing Documents.

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**Item 17 - Voting Client Securities**

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To the extent Wembley has been delegated proxy voting authority on behalf of its Clients, Wembley complies with its proxy voting policies and procedures that are designed to ensure that in cases where Wembley votes proxies with respect to Client securities, such proxies are voted in the best interest of the Client Accounts. In voting such proxies, Wembley shall endeavour to avoid material conflicts of interest between the interest of the Firm and the interest of Clients. Upon request, we will provide our Clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast for such Client.

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**Item 18 - Financial Information**

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Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Wembley does not charge Clients greater than \$1,200 in management fees six months in advance, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.