

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

### **Item 1 - Cover Page**

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The date of this brochure is September 24, 2019.

**This brochure provides information about the qualifications and business practices of Melody Capital Group LP. If you have any questions about the contents of this brochure, please contact our investor relations team at 212-853-8700. 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 Melody Capital Group LP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any reference to Melody Capital Group LP as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.**

**Item 2 - Material Changes**

There are no material changes to report as this is Melody Capital Group LP's initial brochure.

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**Item 4 - Advisory Business**

Melody Capital Group LP (“we,” “us,” or “our”) is a Delaware limited partnership that was formed on April 16, 2019.

Following our registration with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), we expect to provide discretionary investment advice to one or more private funds (each, a “Fund,” and collectively, the “Funds”). *(See Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss)*

It is expected that Melody Credit Opportunities GP LLC (“MCO”) will serve as the general partner or managing member of certain of the Funds. We refer to MCO and any other general partner or managing member of any Fund as the “General Partner.”

We and the General Partner are ultimately controlled by Halle Benett, Carras Holmstead, Andres Scaminaci and Eric Tanjeloff (each, a “Founder” and collectively, the “Founders”).

We generally will not permit investors in the Funds to impose limitations on the investment activities described in their respective governing documents and offering documents for the Funds (collectively, “Governing Documents”). Under certain circumstances, we may contract with an investor in a Fund to adhere to limited risk or operating guidelines imposed by the Fund. We negotiate such arrangements on a case-by-case basis. *(See Item 16 - Investment Discretion)*

We do not participate in wrap fee programs.

We do not have regulatory assets under management, but we expect to have, within 120 days of the effective date of our initial registration, client assets under management sufficient to allow us to remain eligible for registration with the SEC. We do not expect to manage any assets on a non-discretionary basis.

Melody Capital Management LLC, a registered investment adviser (“MCM”), and Melody Capital Partners, LP (“MCP”), a relying investment adviser of MCM, are ultimately controlled by Andres Scaminaci (one of our Founders) and another individual who is not one of our employees or officers. Melodeon Capital Partners, LP, a registered investment adviser (“Melodeon” and collectively, with MCM and MCP, our “Advisor Affiliates”), is ultimately controlled by Halle Benett (one of our Founders). Our Advisor Affiliates provide discretionary investment advice to one or more private funds. *(See Item 10 - Other Financial Industry Activities and Affiliations)*

**Item 5 - Fees and Compensation**

Our fees and compensation will be described in the advisory contracts we enter into with the Funds, as well as in the Governing Documents for each Fund (if applicable). All of the investors in the Funds are expected to be “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “1940 Act”)) or “knowledgeable employees” as defined in Rule 3c-5 promulgated under the 1940 Act.

In general, we will be paid our management fees by each Fund (or subsidiary thereof) quarterly in advance. Management fees paid by a Fund are indirectly borne by investors in such Fund. Management fees that are paid in advance are refundable if the relevant advisory contract is cancelled prior to the end of a payment period. The Governing Documents of each Fund will include a more detailed explanation of

the amount and manner of calculation of the management fees for such Fund. The General Partner will also be entitled to receive carried interest from each Fund, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*. It is possible that we will have separately managed accounts in future. Fees for such accounts would be negotiated on a case-by-case basis.

Each Fund will assume its startup, organizational and offering expenses. In addition, each Fund will bear all expenses relating to it to the extent not borne by its portfolio investments or expressly agreed to be borne by us pursuant to the Governing Documents of such Fund. These expenses are described more fully in the Governing Documents of the applicable Fund and may include (including brokerage expenses, when applicable (*See Item 12 “Brokerage Practices” below*)), local and foreign taxes and fees; extraordinary expenses (including litigation, indemnification and contribution expenses); accounting, auditing, consulting, filing, information services and professional fees; auditing and tax preparation expenses related to the Fund; valuation and administrative expenses; insurance expenses (including for directors’ and officers’ liability insurance); and expenses relating to meetings of the Fund advisory board, independent fund representatives and/or investors in the Fund, as applicable.

We or our affiliates will internally perform the preponderance of the operational, accounting and information technology services on behalf of the Funds, for which we or such affiliates will be reimbursed by the Funds. The Funds will bear their allocable share of the cost (including employee salaries, bonuses and fringe benefits) of such services, software, or other assets.

We or our affiliates will also perform asset management services with respect to Fund investments, which services include, among other things, monitoring the financial condition and other relevant operating data of any such investments and other counterparties. Each Fund will bear costs and expenses that are directly attributable to the salaries, bonuses and fringe benefits payable to our (or our affiliates’) asset management employees performing asset management services whose work is provided to such Fund and costs and expenses of information systems, software and hardware utilized solely for such Fund in connection with asset management.

We or our affiliates generally will have the discretion over whether to charge transaction fees, monitoring fees and other compensation to operating entities controlled by the Funds (“Portfolio Companies”), and, if so, the rate, timing and amount of such compensation. The receipt of such compensation may give rise to conflicts of interest between us and our affiliates, on the one hand, and the Funds, on the other hand. Any compensation will indirectly be borne by the Fund investors and only in certain cases as described in the governing documents of the applicable Fund, is expected to offset the management fee. In instances where the management fee is not offset, Fund investors will bear multiple layers of fees both at the Fund level and indirectly at the Portfolio Company level.

We may, in our discretion, permit certain investors to co-invest in investments alongside one or more of the Funds, subject to the relevant Governing Documents and/or side letters, as well as the considerations described in Item 6 below. Co-investors will typically bear their *pro rata* share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may be required to pay their *pro rata* share of fees, costs and expenses related to potential investments that are not consummated, such as breakup fees or broken deal expenses. Although we endeavor to allocate such fees, costs and expenses on a fair and reasonable basis, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately. In addition, co-investors may not agree to pay or otherwise bear fees, costs or expenses related to unconsummated or consummated co-investments. In such event, such fees, costs and expenses will be considered operating expenses of and be borne entirely by the relevant Funds. Investments made with co-investors also may involve a portion of transaction fees allocated to

such co-investors. We expect to charge management fees and performance compensation to co-investors, in addition to management fees and performance compensation charged to the Funds.

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

The General Partner will be entitled to receive periodic carried interest from each Fund. Carried interest is based on a percentage of investment proceeds above certain thresholds upon the distribution of investment proceeds to investors in the applicable Fund. The General Partner may, from time to time, elect to reduce, waive or calculate differently the carried interest with respect to any investor in a Fund. The carried interest and all other fees that we and our related persons will charge will comply with Rule 205-3 of the Advisers Act.

The terms of the carried interest may differ among the currently anticipated Funds and future Funds. If this occurs, the difference in carried interest among the Funds could result in a conflict of interest when we allocate opportunities among the Funds because we will have an incentive to favor the Funds that have higher carried interest. To avoid such a conflict of interest, we generally follow documented procedures in allocating opportunities among the Funds, which do not take into account the carried interest to which the Funds are subject (*see below*).

We allocate investment opportunities in accordance with documented procedures. It is our policy that no Fund for which we have investment discretion will receive preferential treatment over any other Fund. In allocating investment activities among the Funds, it is our policy that all Funds should be treated fairly and, to the extent possible, all Funds should receive equivalent treatment. We allocate investment activities among the Funds taking into account, among other things, the following factors: the investment objectives, risk tolerances, preferences, and constraints of the Funds; the appropriateness of making a particular allocation to a Fund in light of those investment objectives, risk tolerances, preferences, and constraints; timing of cash flows and the amount of buying power available to invest for a Fund including current or anticipated liquidity needs of a Fund; current market conditions; supply or demand for an investment at a given price level; previous investment allocation decisions; size of available position, as well as future actions that may be taken relating to such position including cash commitments; characteristics of an investment; size of round lots in a particular market; tax and legal status of the Fund; the best interests of each Fund; and any other information determined to be relevant to the fair allocation of investment activities. Under no circumstances will investment allocations be determined based upon the likelihood of us or our related persons earning a carried interest or receiving some other benefit.

To the extent that a particular investment opportunity exceeds the desired allocation to the Funds, or there are prospective investors that we believe will be of benefit to the Funds or who may provide a strategic, sourcing or similar benefit to us, the Funds or our respective affiliates due to industry expertise, end-user expertise or otherwise, we may, in our discretion, offer the opportunity to co-invest alongside the Funds to, or otherwise partner with, one or more such strategic co-investors or any other person (including us or our affiliates, a company's management team members, consultants or advisors). No investor should have any expectation of receiving an investment opportunity or to be owed any duty or obligation in connection therewith.

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

We expect to primarily provide investment advice to clients that are private funds. The Funds are structured as limited partnerships or similar legal entities which we or our affiliates control. The Funds rely on rules promulgated under the United States federal securities laws that exempt privately offered entities from registration as investment companies. Investors in such private funds are generally high net

worth individuals and institutional investors that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and “qualified purchasers” (as defined under the 1940 Act) or “knowledgeable employees” (as defined under the 1940 Act). Prospective investors may be required to meet additional suitability requirements. Investors considering investment in the Funds should consult with their own investment, tax and legal consultants prior to investing. The minimum investment in the private funds is generally expected to be \$5,000,000. We may waive the minimum under certain circumstances in our sole and absolute discretion. We would determine the minimum investment for a separately managed account on a case-by-case basis.

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

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

Our investment objective for the Funds is to generate attractive risk-adjusted returns by finding opportunistic investments with a focus on loan origination and direct lending and the purchase and sale of corporate loans and debt securities. Our primary focus with respect to the Funds (or affiliated entities through which they invest) will be “bespoke” secured loan origination in North America. We will target investments that offer downside protection and income. In addition, the Funds may participate in private loans originated by banks and others that offer attractive risk-adjusted returns. The Funds will also (directly or through one or more affiliates in which they invest) purchase (i) corporate securities, primarily debt securities and (ii) asset-based investments, including portfolios of receivables, asset-backed financial instruments, real estate, leases, easements and other tangible or secured assets. These investments may include bank debt, corporate bonds, trade claims, contractual arrangements, lease receivables, revenue interests, preferred stock or common equity in (i) out-of-favor sectors where we can acquire investments at what we believe to be a significant discount to the fundamental value of their underlying cash flow or assets, (ii) situations where an issuer, company or obligor faces a broad range of liquidity issues, has limited refinancing choices, is under time pressure, or has a complicated or faulty capital structure, (iii) companies undergoing, or considered likely to undergo, reorganizations and/or liquidation under U.S. or foreign bankruptcy laws, and (iv) other pooled investment vehicles managed or advised by us, which are dedicated to investing in some or all of the foregoing.

### **Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

#### *Risk Factors*

An investment in the Funds involves significant risks and other considerations and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing such risks. Each Fund’s returns will be unpredictable, and no Fund’s investment program will be suitable as the sole investment vehicle for an investor. A prospective investor should only invest in a Fund as part of a broad overall investment strategy, and only if the prospective investor is able to withstand both extended periods of illiquidity and a total loss of the value of its investment in such Fund. An investment in a Fund will involve significant risks and other considerations and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing such risks. Prospective investors are strongly urged to review the applicable Governing Documents carefully and consult with their own financial, legal and tax advisers before investing in a Fund. These risks include, but are not limited to, the following risks.

*General Investment Risks*

All investments involve risks, including the risk that the entire amount invested may be lost. No guarantee or representation is made that any Fund's investment objective will be achieved. Each Fund may utilize investment techniques, such as leverage, which can in certain circumstances increase the adverse impact to which the Fund's investment portfolio may be subject.

*Lack of Operating History*

Each Fund is a newly organized entity that has no prior operating history or track record upon which prospective investors may base an evaluation of its likely performance. Each Fund's results of operations will depend upon the availability of suitable investment opportunities for the Fund and the performance of its investments.

*Relation to Other Investment Results*

No Fund has a prior operating history or track record as an independent fund. In considering the prior performance results of our investment team, prospective investors should bear in mind that past performance is not indicative of future results and there can be no assurance that any Fund will be able to implement its investment strategy or investment approach, achieve comparable results, that any target results will be met or that it will be able to avoid losses. The prior performance results of our investment team should not be deemed to be a prediction or projection of the future performance of any Fund and prospective investors should not construe such performance as providing any assurances regarding the future performance of any Fund. Because of the differences in the investment strategies that may be employed by the Funds, the prior performance results of our investment team should be used only to assess our experience generally in making related investments and should not be used to assess whether any Fund will be successful.

*Difficulty of Locating Suitable Investments*

Each Fund's success will depend, in part, on the ability to originate loans on advantageous terms. There can be no assurance that we will be able to identify a sufficient number of suitable investment opportunities to enable the Funds to invest all of their committed capital in opportunities that satisfy their investment objectives or that such investment opportunities will lead to completed investments by the Funds. The activity of identifying, completing and realizing an attractive investment opportunity is highly competitive, requires a substantial amount of upfront work and may involve a high degree of uncertainty. The Funds may compete for the origination and acquisition of loans with many other investors, some of which will have greater resources than the Funds. Such competitors may include other private investment funds as well as financial institutions and other institutional investors. Some of these competitors may have more relevant experience, greater financial resources and more personnel than the Funds, the General Partner, us and each of our respective affiliates. Additional funds with similar investment objectives may also be formed in the future by unrelated parties. In addition, the availability of investment opportunities generally may be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities may become more intense.

It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which investments

can be made. Increased competition for, or a diminishment in the available supply of, qualifying loans could result in lower yields on such loans, which could reduce returns to investors.

Based on the foregoing, there can be no assurance that the Funds will be able to identify or consummate investments satisfying our investment criteria. The success of the Funds will depend on our ability to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and monitor and manage investments until maturity or sale. Likewise, there can be no assurance that the Funds will be able to realize the values of their investments or that it will be able to invest their capital commitments.

#### *Investments in Pooled Investment Vehicles*

Each Fund may invest in one or more other pooled investment vehicles managed or advised by us. In such circumstances, performance-based compensation and/or management fees that would otherwise be charged by the Fund may be charged at the level of such pooled investment vehicle with an offset to the performance-based compensation and/or management fees that would otherwise be charged by the Fund. In addition, such performance-based compensation and/or management fees may be calculated on a different basis and/or at different times than if they were charged at the level of the Fund. The Funds will ensure, however, that their investments in such pooled investment vehicles will not cause investors to bear performance-based compensation, or management fees in an aggregate amount greater than the amount they would bear if all performance-based compensation or management fees were calculated and charged at the level of the Funds. The Funds may also incur other fees and expenses in respect of an investment in such pooled investment vehicles which could result in greater expense than if the Funds invested directly in the investments of such pooled investment vehicle and investor returns will be net of all such fees and expenses.

#### *Dependence on the Investment Team*

The Funds will be dependent on the continued service of our investment team. In the event of death, disability, or departure of any such persons from us, the business of the Funds may be adversely affected.

We and our investment team are not required to devote all or any specified portion of our time to managing the Funds' affairs, but only to devote so much of our time to the Funds' affairs as we determine to be necessary to accomplish the Funds' purposes and to conduct properly the Funds' operations.

#### *Investments Longer than Term*

Each Fund may make investments that may not mature or be advantageously disposed of prior to the date the Fund is dissolved, either by expiration of the Fund's term or otherwise. Although we expect that investments will mature or be sold prior to dissolution, it is unlikely that significant distributions to investors of a Fund will occur for a number of years from the date of the applicable capital contributions and the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, there can be no assurances with respect to the timeframe in which the winding-up and the final distribution of proceeds or in-kind distributions to investors of a Fund will occur.

#### *Due Diligence*

We will conduct, and may use third parties to conduct, due diligence on prospective investments. In conducting such due diligence, our investment professionals will use publicly available information as well as information from other, non-public sources. Such level of due diligence may not, however, reveal



all matters and issues, material or otherwise, relating to prospective investments. In addition, we may rely upon independent consultants in connection with our evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

In addition, we may only be able to conduct limited due diligence, or will have to rely on third parties to conduct due diligence, on investments in certain instances, as may be the case, when a Fund is participating in bulk sales or is involved in “forward-flow” arrangements with banks, borrowers or other intermediaries. Before acquiring loans, we or the General Partner may assess the strength of the underlying properties and any other factors that we believe are material to the performance of the investment. In making the assessment and otherwise conducting customary due diligence, we and/or the General Partner will rely on the resources available to us and, in some cases, investigations by third parties.

### *Projections*

Each Fund may make investments relying upon projections developed by us, a prospective borrower or other third-party sources concerning such company’s future performance and cash flow. Projections are inherently subject to uncertainty and factors beyond our control, the borrower or such other sources. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a borrower to repay our indebtedness or realize projected values.

### *Fraud*

The Funds will seek to obtain structural, covenant and other contractual protections with respect to the terms of their investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to their investments will achieve their desired effect, and potential investors should regard an investment in a Fund as being speculative and having a high degree of risk. Of paramount concern in investments in loans is the possibility of material misrepresentation or omission on the part of a borrower, other credit support providers or breach of covenant by such parties. As a consequence of such material misrepresentation or omission, the borrower’s ability to pay principal or interest under a loan and/or the collateral value may be different from originally anticipated. Each Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments, but we cannot guarantee such accuracy or completeness. Under certain circumstances, a payment or distribution to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

### *Use of Leverage*

Each Fund may lever its assets. Further, each Fund may borrow money to facilitate its investment objectives and process, including for the purpose of paying operating expenses or providing interim financing to the extent necessary to consummate the purchase of investments prior to the Fund’s receipt of capital contributions, or with a view to enhance its performance or facilitating its investment process. The aggregate principal amount of the borrowings incurred by a Fund itself and that are recourse against the assets of each Fund may not exceed an amount equal to 200% of the aggregate capital commitments of the Fund, without the consent of the advisory board of the Fund.

The investment return of a Fund may also be leveraged with options, short sales, swaps, forwards and other derivative instruments. In the futures markets, margin deposits are typically low relative to the

value of the futures contracts purchased or sold. Such low margin deposits are indicative of the fact that any futures contract trading is typically accompanied by a high degree of leverage. Low margin deposits mean that a relatively small price movement in a futures contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase, 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. Thus, like other leveraged investments, any purchase or sale of a futures contract may result in losses in excess of the amount invested.

While leverage presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by a Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to the Fund, which would be greater than if the Fund was not leveraged. Leverage will increase the exposure of a Fund to adverse economic factors such as significantly rising interest rates, severe economic downturns or a deterioration in the condition of the Fund's investments or their corresponding markets.

#### *No Assurance of Investment Return*

Our task of identifying and evaluating investment opportunities, managing such investments and realizing a significant return for investors is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize on such investments successfully. There is no assurance that we will be able to invest the Funds' capital on attractive terms or generate returns for their investors. Investors in a Fund could experience losses on their investment. There may be little or no near-term cash flow available to the investors in a Fund from the Fund and there can be no assurance that any Fund will make any distribution to the investors. There may be partial or complete maturities, sales, transfers or other dispositions of investments that may not result in a return of capital or the realization of gains for a number of years after an investment is made. An investment in a Fund should only be considered by prospective investors who can afford a loss of their investment. There can be no assurance that projected or target returns for any Fund will be achieved.

Any information regarding targeted returns for a Fund is provided as an indicator as to how the Fund will be managed and is not intended to be viewed as an indicator of likely performance returns to investors in the Fund. Any targeted return information is based upon projections, estimates and assumptions that a potential investment will yield a return equal to or greater than the target. Accordingly, there can be no assurance that our projections, estimates or assumptions will be realized or that we will be successful in finding investment opportunities that meet these anticipated return parameters. Additionally, our estimates of potential returns from a potential investment should not be viewed as a guarantee as to the quality of the investment nor as a representation as to the adequacy of our methodology for estimating returns.

#### *Suitability of Investments for Investors*

An investment in the Funds is not suitable for all investors. An investment is suitable only for sophisticated investors, and an investor must have the financial ability to understand and willingness to accept the extent of its exposure to the risks and lack of liquidity inherent in an investment in a Fund. Investors should consult their professional advisors to assist them in making their own legal, tax, accounting and financial evaluation of the merits and risks of investment in a Fund in light of their own circumstances and financial condition. An investment in each Fund requires a long-term commitment, and

there can be no assurance that a Fund's investment objectives will be achieved or that there will be any return of capital. Therefore, investors should only invest in a Fund if they can withstand a substantial loss of their investment.

#### *Illiquidity of Investments*

The Funds will make investments in unrated securities. While we will seek to make secured investments, unrated securities are generally considered by the rating entities to involve greater risk of loss of income and principal.

There may be little or no active market for many of the securities and other obligations owned by the Funds. Consequently, a Fund may not be able to dispose of an investment when it desires to do so. Some of the securities purchased by the Funds may have been issued in private placement transactions and may be subject to legal or contractual restrictions on resale by the Funds. In some instances, the sale of securities, loans or claims owned by a Fund may require lengthy negotiations. A potential exists for securities that do not mature and cannot be liquidated within the term of a Fund to be distributed in-kind to investors upon the dissolution of the Fund.

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

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or our management.

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

As noted above, MCM and MCP are ultimately controlled by Andres Scaminaci and another individual who is not one of our employees or officers, and Melodeon is ultimately controlled by Halle Benett. The Advisor Affiliates manage private funds. In addition, certain of our officers, including our Founders, and employees will provide services both to us and to our Advisor Affiliates and their affiliates as dual employee and officers. Our Advisor Affiliates and their affiliates have in the past sponsored, and currently provide asset management services to, other private funds. Further, we, our Advisor Affiliates and their affiliates are expected in the future to sponsor other funds, investment vehicles, separate accounts or similar investment platforms.

As discussed in more detail herein, management of investment vehicles by us, our Advisor Affiliates and their affiliates could give rise to potential and actual conflicts of interest associated with, among other things, allocating investments among our respective clients. We do not anticipate that our Advisor Affiliates or their affiliates will pursue investments strategies in the future that are similar to the strategies of the Funds. Accordingly, we do not believe there is an actual conflict of interest in allocating investment between our respective clients.

Management of investment vehicles by us, our Advisor Affiliates and their affiliates could also give rise to other potential and actual conflicts of interest, including the possible sharing of material non-public information among us and such other entities. We and our Advisor Affiliates will take a number of steps to mitigate these conflicts, including the following:

- We and our Advisor Affiliates will adopt and abide by Codes of Ethics that are substantively identical (*see Item 11 below*);
- We and our Advisor Affiliates will share the same restricted list; and

- We and our Advisor Affiliates are each independently capitalized.

Further, we anticipate that the same steps will be taken with respect to affiliates of our Advisor Affiliates for which certain of our officers and employees serve as dual employees.

#### *Services by Related Persons*

As noted above, the General Partner will serve as the general partner or managing member to one or more Funds.

#### *Management of Multiple Funds*

The management of multiple pooled investment vehicles results in a potential conflict of interest when we and our related persons allocate time and investment opportunities among the Funds. For example, our Founders (and/or other related persons) have a greater portion of their personal assets invested in certain of the Funds. Further, the compensation earned by us and our related persons from each of the Funds will differ from one another. We and our related persons will generally follow documented procedures in allocating investment opportunities among the Funds. (See Item 6 - Performance-Based Fees and Side-By-Side Management)

Subject to applicable law, we may effect transactions (generally for rebalancing purposes and to correct misallocations of trades) among the Funds in which one Fund will purchase securities (or other financial instruments) from or sell securities (or other financial instruments) to another Fund (including Funds in which we or our related persons may have a significant interest). This may result in a conflict of interest because a potential transaction may result in benefits to one Fund that may be greater than the benefits to the other Fund. In order to mitigate such conflicts, we effect such transactions only when we determine in good faith that such transactions are in the best interests of the applicable Funds.

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

#### *Code of Ethics Overview*

We will adopt a Code of Ethics (the "Code of Ethics") which will be designed to ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to the client accounts we manage, and that all of our Supervised Persons (as defined in the Code of Ethics) must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we intend to develop policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics will: (i) govern all personal investment transactions by our Supervised Persons, (ii) contain our policies with respect to gifts and entertainment, (iii) set forth the manner in which violations are to be reported, and (iv) contain our policies regarding certain outside activities of our Supervised Persons. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

#### *Participation in Client Transactions*

We offer to qualified prospective investors the opportunity to invest in the Funds. Our Founders and other management persons will have significant personal investments in the Funds. In addition, the General Partner will be entitled to receive carried interest from the Funds.

Subject to applicable law, we may effect transactions between client accounts (generally for rebalancing purposes and to correct misallocations of trades) whereby one client account will purchase securities from or sell securities to another client account. (*See Item 10 - Other Financial Industry Activities and Affiliations*)

In the event that we effect a cross trade between an account in which we or our controlling persons own more than twenty five percent (25%) and another client account, such transaction may be deemed to be a principal transaction under the Advisers Act. Such transactions may create a conflict of interest for us because we may put our or our control persons' interests in such accounts before the interests of the other client account. We will not effect any cross trades between accounts if we believe that such trade would result in a principal transaction unless we obtain required consent in accordance with our documented policies and procedures and the relevant Funds' documentation. In addition, as may be set forth in the Governing Documents of each Fund, approval from such Fund's advisory board, independent directors or independent fund representative, as applicable, is required for certain other related party transactions.

#### *Personal Trading Policy*

Supervised Persons will generally be prohibited from engaging in a personal securities transaction without obtaining pre-clearance, which may be withheld for any reason. Prohibitions relating to personal trading will also generally apply to any spouse or minor child, or an immediate family member of a Supervised Person living in the same household as such Supervised Person.

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

#### *Selection of Brokers*

In placing securities transactions for our clients, we seek to obtain best execution, taking into account some or all of the following factors, among others: execution capability, execution quality, commission rate, financial responsibility and financial services offered, willingness and ability to commit capital, confidentiality, trading expertise, facilities, reputation and integrity, reliability in keeping records, responsiveness, and with respect to a particular trade, the timing and size of the order, available liquidity and market conditions.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

We will establish a best execution team, which will meet on a semi-annual basis to evaluate, among other things, the execution that we are receiving from broker-dealers, taking into account some or all of the factors listed above, among others. In addition, we will maintain an approved broker list.

#### *Research and Other Soft Dollar Benefits*

We do not currently have any formal soft dollar arrangements, but we may receive bundled products or services from broker-dealers. To our knowledge, such products and services are generally made available to all institutional clients doing business with these broker-dealers. If we determine to engage in soft dollar transactions in the future, we intend to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

*Brokerage for Client Referrals*

Subject to applicable law and consistent with best execution, we may direct some client brokerage business to brokers that refer prospective investors to us and may pay or share amounts we or our related persons receive as management fees and/or carried interest. Because such referrals, if any, are likely to benefit us but may only provide an insignificant (if any) benefit to our clients, we may have a conflict of interest with our clients when allocating brokerage business to a broker that has referred investors to us. To mitigate this potential conflict, we will not allocate brokerage business to a referring broker unless we determine in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to our clients. Prime brokers may provide capital introduction services to us. Such services may influence us in deciding whether to engage such prime brokers.

*Trade Error Policy*

Our investment personnel may on occasion experience errors with respect to investments made on behalf of clients. Given the nature of the investment program for our clients, the term “trade errors” as used in this section generally refers to investment errors. We will reimburse each client for net losses resulting from trade errors in accordance with the terms of the exculpation provision in such client’s advisory agreement.

If an investment is allocated incorrectly, we will attempt to reallocate the investment using the intended allocation methodology prior to the settlement date. If a trade has settled, we may, subject to applicable law, within the same calendar month effect a cross trade between clients to correct the misallocation such that each client would be in the position it would have been in had the misallocation not occurred.

*Aggregation of Orders*

To the extent we aggregate orders for purchase and sale, we will aggregate such orders as we deem appropriate and in accordance with each client’s Governing Documents and in the best interest of each client.

**Item 13 - Review of Accounts***Review of Accounts*

Our Chief Compliance Officer will be primarily responsible for ensuring that the securities (or other financial instruments) held by the Funds are consistent with the disclosures set forth in the relevant Governing Documents. In addition, our Founders or our Chief Compliance Officer will regularly review the Funds’ portfolio holdings to determine that the securities (and other financial instruments) held by the Funds remain consistent with their investment objectives and guidelines.

*Reporting*

We may, in our discretion, furnish investors in the Funds with periodic written unaudited performance reports on a monthly or quarterly basis. On an annual basis, we will provide investors with a copy of the relevant Fund’s annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

We may provide certain investors (pursuant to a side letter or otherwise) with access to more frequent and/or more detailed information regarding the Funds' holdings, performance, finances, and management and/or other information about the Funds or us (including notification of the commencement of certain disciplinary actions, legal proceedings, investigations or similar matters against a Fund, us and/or our personnel, or of withdrawals from a Fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

In addition, investors may be provided with certain information about us and the Funds in response to questions and requests. Although we may not distribute such information to other investors or prospective investors, it will generally be available onsite for all relevant investors upon request. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

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

Currently, we do not use any third parties for client or investor referrals.

#### **Item 15 - Custody**

For purposes of Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), we are deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) we deliver such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

#### **Item 16 - Investment Discretion**

We have discretionary authority to manage securities accounts on behalf of our clients. The investors in the Funds generally may not place any limits on our authority beyond the limitations set forth in the offering and Governing Documents of such Funds.

#### **Item 17 - Voting Client Securities**

To the extent that we trade in public securities for client accounts, we will generally have voting discretion over such securities. Clients are generally not able to direct their votes in a particular situation. We will adopt proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, we will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, we may determine to abstain from voting a proxy if we believe that such action is in the best interests of a particular client. We may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer's views and recommendations on such proposal; (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (e.g., instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (iii) whether we believe that the proposal will fairly compensate management for its and/or

the issuer's performance. If we deem that the issue being voted upon is not material for us and our clients, we will not be obligated to vote on such matter.

Upon the request by a client, we will disclose to such client how we voted proxies for securities owned by such client. We will also provide a copy of our proxy voting policies and procedures to clients upon request.

**Item 18 - Financial Information**

We are not required to include our balance sheet for our most recent fiscal year with this Form ADV, Part 2A.

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

We are not a state-registered adviser.