

## Form ADV Part 2A Brochure

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March 28, 2018

This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. 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. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

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

### ***Material Changes***

The date of the last annual update was March 28, 2017. There have been no material changes since the last annual update.

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## ***Advisory Business***

### ***Advisory Firm***

Holowesko Partners Ltd. ("HPL"), a Bahamian company based in Nassau, Bahamas, is an investment advisor providing investment advisory services to its clients. HPL was formed in 2000 by Mark Holowesko, President, CEO and CIO, who has been in the financial services industry since 1985. Mark Holowesko holds > than 25% equity ownership in HPL.

### ***Advisory Services***

HPL currently provides investment advisory services to private fund clients, herein referred to as the Holowesko Group of Funds, and to managed accounts. The Holowesko Group of Funds is comprised of the following private funds, all of which are registered with the Cayman Islands Monetary Authority:

Holowesko Global Fund Ltd.  
Holowesko Global Fund LLC  
Holowesko Global Equity Fund LLC  
Holowesko Global Equity Fund (Segregated Portfolio)<sup>1</sup>  
Holowesko Growth Fund (Segregated Portfolio)<sup>2</sup>  
Farrington Growth Fund Ltd.

<sup>1</sup> a segregated portfolio of the Holowesko Global Funds SPC Ltd.

<sup>2</sup> a segregated portfolio of the Holowesko Growth Funds SPC Ltd.

As of December 31, 2017, HPL has USD4,682,923,444 regulatory assets under management (USD4,262,640,239 net assets under management) on a discretionary basis and USD nil assets on a non-discretionary basis.

Each private fund client maintains a Private Offering Memorandum that is available to prospective and existing investors in the private fund client. The Private Offering Memorandum details the investment advisory services, including investment restrictions, in which HPL provides its services. Each managed account client is subject to an investment management agreement that details the investment advisory services, including investment restrictions, in which HPL provides its services. HPL does not participate in a wrap fee program.

## ***Fees and Compensation***

HPL charges its private fund clients an investment advisory fee based on the assets under management for each private fund client as well as receiving a performance-based fee/allocation based on the overall performance of such private fund client. The investment advisor fee and performance-based fee/allocation rates are different based on the underlying strategy of the private fund.

The fee structure implemented by HPL with its private fund clients is as follows:

<u>Private Fund Client</u>	<u>Fee Structure</u>
Holowesko Global Fund Ltd. & Holowesko Global Fund LLC	1.25% p.a. investment advisory fee <sup>3</sup> 20% p.a. absolute return performance fee/allocation <sup>4</sup>
Holowesko Global Equity Fund LLC & Holowesko Global Equity Fund (Segregated Portfolio)	0.75% p.a. investment advisory fee <sup>3</sup> 10% p.a. absolute return performance fee/allocation <sup>4</sup> or 20% p.a. relative benchmark return performance fee/allocation <sup>5</sup>

Holowesko Growth Fund (Segregated Portfolio) <sup>6</sup>	0.75% p.a. investment advisory fee 20% p.a. absolute return performance fee/allocation <sup>4</sup>
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Farrington Growth Fund Ltd. <sup>7</sup>	0.75% p.a. investment advisory fee 10% p.a. absolute return performance fee/allocation <sup>4</sup>
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<sup>3</sup> may be eligible for a reduced rate based on performance status at the beginning of the billing period

<sup>4</sup> subject to High Water Mark

<sup>5</sup> performance fee/allocation selection is at discretion of investors of the private fund client

<sup>6</sup> only investors in private fund are shareholders of HPL

<sup>7</sup> only investors in private fund are shareholders of HPL

Investment advisory fees are calculated and charged by HPL to private fund clients on either a monthly or calendar quarterly basis at the beginning of each billing period and are paid in advance. For private funds that HPL charges investment advisory fees on a calendar quarterly basis, HPL charges on a pro-rata basis for subscriptions by private fund investors into a private fund in the event such subscriptions do not fall on a quarterly calculation date. HPL also refunds any unearned investment advisory fee on a pro-rata basis to a private fund client for redemptions by private fund investors from a private fund in the event such redemptions do not fall on a quarter end date.

Fees charged by HPL to each private fund client are charged at the fund level. As such, all private fund investors of the same private fund bear the same fee structure applicable to the private fund client.

Investment advisory fees charged by HPL to private fund clients as described above do not include any transaction fees or commissions, which may be charged separately by the prime broker and/or broker/dealers/custodians in the ordinary course of business. Charges for other expenses or services provided by other service providers to the private funds, such as custody fees, administration fees, audit fees and legal fees are billed directly to the private fund client and settled by payment from the private fund client's assets.

HPL charges its managed account clients an investment management fee based on the assets under management for each managed fund client. The investment management fee rates are charged on a tiered level basis at rates ranging from 0.40% p.a. to 0.80% p.a. Managed account clients may also be subject to a performance fees based on the specific strategy of the account and if applicable, the performance-based fee is based on the overall performance on a benchmark relative return basis (with loss carry-forward provisions). The performance-based fee rates are charged on a tiered level basis at rates ranging 10% to 12% of relative benchmark outperformance. Investment management fees are calculated and charged by HPL to each managed account on a monthly or quarterly basis.

Investment management fees charged by HPL to managed accounts as described above do not include any transaction fees or commissions, which may be charged separately by the prime broker and/or broker/dealers/custodians in the ordinary course of business. Charges for other expenses or services provided by other service providers engaged by the managed account client are billed directly to the managed account client and settled from the managed account client's assets.

### ***Performance-Based Fees And Side-By-Side Management***

As disclosed in the section titled Fees and Compensation, HPL may charge performance-based fees/allocations at the rates as indicated.

Performance fees/allocations are calculated and charged by HPL on an annual basis at the end of the fiscal year of each private fund or managed account client. HPL may charge performance fees/allocations

on a date other than the fiscal year end date in the event there is a redemption by an investor in a private fund client or a withdrawal by a managed fund client on a date other than a fiscal year end date.

Redemptions by investors in a private fund client require 30 days prior written notice, however, HPL in its sole discretion may permit redemptions that do not meet this minimum notice period. Withdrawals by managed account clients are permitted upon written notification to HPL.

Performance-based fees/allocations are based on the gross performance of the private fund and managed account client at the relevant calculation date which includes both realized as well as unrealized gains (losses) of the underlying portfolio of the private fund and managed account client. The existence of performance-based fees/allocations may give rise to potential conflicts of interest as it may create an incentive for HPL to make more speculative investments than it would otherwise make in the absence of such fees/allocations.

### ***Types of Clients***

HPL currently acts as an investment advisor to the following private fund clients:

Holowesko Global Fund Ltd.

- a) Domicile: Cayman Islands
- b) Structure: Corporation
- c) Investor Base: Non-U.S. investors and tax-exempt U.S. investors

Holowesko Global Fund LLC

- a) Domicile: State of Delaware, USA
- b) Structure: Limited Liability Company (tax status: partnership)
- c) Investor Base: U.S. taxable investors

Holowesko Global Equity Fund LLC

- a) Domicile: State of Delaware, USA
- b) Structure: Limited Liability Company (tax status: partnership)
- c) Investor Base: U.S. taxable investors

Holowesko Global Equity Fund (Segregated Portfolio), a segregated portfolio of the Holowesko Global Funds SPC Ltd.

- a) Domicile: Cayman Islands
- b) Structure: Corporation
- c) Investor Base: Non-U.S. investors and tax-exempt U.S. investors

Holowesko Growth Fund (Segregated Portfolio), a segregated portfolio of the Holowesko Growth Funds SPC Ltd.

- a) Domicile: Cayman Islands
- b) Structure: Corporation
- c) Investor Base: Non-U.S. investors

Farrington Growth Fund Ltd.

- d) Domicile: Cayman Islands
- e) Structure: Corporation
- f) Investor Base: Non-U.S. investors

The minimum initial investment by an investor in a private fund client is \$3,000,000, however, HPL in its sole discretion may waive this minimum amount.

Each private fund client has a separate and distinct trading strategy and may trade at different times in the same securities. Holowesko Global Fund Ltd. and Holowesko Global Fund LLC have a long/short global equity strategy and generally invest in the same securities allocated on the basis approximating their relative net asset values. Holowesko Global Equity Fund LLC and Holowesko Global Equity Fund (Segregated Portfolio) have a long global equity strategy and generally invest in the same securities also allocated on the basis approximating their respective net asset values. The Holowesko Growth Fund (Segregated Portfolio) and Farrington Growth Fund Ltd. both have a long global equity strategy.

A managed account client may employ a strategy that is similar to one of the strategies of a private fund client and if so, will generally invest in the same securities of that strategy on a basis approximating its relative net asset value to that of the private fund client(s).

### ***Methods of Analysis, Investment Strategies, and Risk of Loss***

HPL employs a bottom-up, fundamental company analysis. HPL uses a variety of methods to identify and evaluate opportunities. HPL uses its own internal research and analysis as well as research and analysis received from third parties. Sources of information include corporate financial reports, investment publications of brokerage firms and statistical information and research from research providers. In addition to written materials, HPL analysts attend company-sponsored meetings, security analysts meetings and broker-sponsored meetings and conferences. HPL may consider in its evaluations factors that include, but are not limited to, market value, free cash flow analysis, asset values and earnings growth over full market cycles, and also seeks to identify catalysts for valuation changes and utilizes upside/downside targets. HPL may employ leverage in its client portfolios such as short selling and the use of swaps, forward currency contracts and other forms of leverage.

HPL applies its investment philosophy consistently across regions, sectors and business cycles, and focuses on absolute, not benchmark, returns.

HPL provides investment advisory services that cover a variety of investment instruments, however, the primary instruments used in all of the strategies are as follows:

- a) exchange-listed securities (equities, put options, call options)
- b) over the counter options
- c) United States government securities
- d) forward foreign currency contracts

Investing in securities involves a risk of loss that clients should be prepared to bear. Specific risks associated with the primary instruments used as listed above include, but are not limited to, the following:

*General:* Markets in which the clients may invest are subject to fluctuations, and the market value of any particular investment may be subject to substantial variation. Notwithstanding the existence of a public market for particular financial instruments, such instruments may be thinly traded or may cease to be traded after an investment is made in them. In addition to being relatively illiquid, such instruments may be issued by unstable or unseasoned issuers or may be highly speculative. No assurance can be given that a client's investments will appreciate in value. Further, new legislation or changes in government regulations could adversely affect the clients. No assurance can be given that the transactions entered into will result in profitable investments for the clients or that the clients will not incur substantial losses.

*Economic conditions:* Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of issuers in which HPL invests or is otherwise exposed to. These economic conditions may be particularly prevalent in countries that are considered emerging markets. None of these economic conditions, among other things, will be within the control of HPL.

*Market risks:* Investments in securities issued by companies and governments of different nations involves certain risks. These risks include international and regional political and social developments and/or the possible imposition of exchange controls or other local governmental laws or restrictions applicable to such investments. In addition, the clients may invest in securities of issuers in a variety of developing countries, involving certain special considerations, which may include (i) investment and repatriation restrictions, (ii) currency fluctuations, (iii) potential unusual market volatility, (iv) government involvement in the private sector, (v) limited investor information, (vi) shallow securities markets, (vii) certain local tax law considerations and/or (viii) limited regulation of the securities markets. HPL cannot predict how the current and future financial markets will be affected these developments.

*Leverage risks:* Clients may borrow and may utilize short selling, swaps, forward currency contracts and other forms of leverage. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the cost of the leverage, the value of a client's net assets will decrease. Accordingly, any event which adversely affects the value of an investment by a client would be magnified to the extent leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss which would be greater than if leverage were not used. Leveraged transactions may involve the posting of collateral. Increases in the amount of margin a client is required to post could force disposition of a portion of a client's assets at times and prices which could be disadvantageous to a client and could result in substantial losses. To the extent that a creditor has a claim on a client, such claim would be senior to the rights of the client and its participating shareholders.

*Concentration and non-diversification:* Subject to certain restraints set forth herein, clients have the ability to concentrate their investments by investing a majority of their assets in the securities of a single industry or country and few issuers. To the extent the clients do concentrate in any of these ways, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.

*Currency risks:* Investments purchased by clients may be denominated in foreign currencies. Engaging in the purchase of such investments or engaging in currency trading (such as forward foreign currency contracts) has certain risks, including, illiquidity, blockages by governments, political unrest or other factors, failure or inability to deliver, pressure from speculators and other factors that can result in losses with respect to such instruments and currencies. To the extent that currency risk is not hedged, changes in the values between the denominated currency of the client and other currencies can increase or reduce the actual returns from investments denominated in other currencies.

*Derivative Transactions:* The clients may invest in derivative instruments that seek to modify or emulate the investment performance of particular securities, currencies, interest rates, indices or markets. These instruments generally have counterparty risk and may not perform in the manner expected by the counterparties, thereby resulting in greater loss or gain to the client. These investments are all subject to additional risks that may result in a loss of all or part of an investment, such as interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. Derivatives may have very high leverage embedded in them which may substantially magnify market movements and result in losses greater than the amount of the investment. Some of the markets in which derivative transactions are effected are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the clients to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the derivative contract.



While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy of each client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. Prospective investors in a private fund client are provided a Private Offering Memorandum describing in detail the investment strategy and risks associated with investing in the private fund. Assets of managed account clients are managed in accordance with the respective investment management agreement between HPL and the respective managed account client.

### ***Disciplinary Information***

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. HPL does not have any disclosure items.

### ***Other Financial Industry Activities and Affiliations***

HPL is also registered with the Securities Commission of The Bahamas for the provision of advising and managing securities. Mark Holowesko, R. Sean Farrington and Gregory Cleare are registered representatives of HPL with the Securities Commission of The Bahamas.

Holowesko Advisors Ltd. ("HAL"), a wholly-owned subsidiary of HPL, is an investment advisory firm registered with the Securities Commission of The Bahamas. Mark Holowesko, R. Sean Farrington and Gregory Cleare, three employees of HPL, are registered representatives assigned to HAL with the Securities Commission of The Bahamas. At December 31, 2016 this subsidiary remained inactive.

Franklin Resources, Inc. ("Franklin"), a publicly traded company, has a 20% ownership interest in HPL through a wholly-owned subsidiary. One director of Franklin is also a director of HPL and two of its private fund clients. Franklin, through its subsidiaries, is also an investor in two of HPL's private fund clients. HPL utilizes the services of various subsidiaries of Franklin for information technology and proxy voting services.

HPL acts as the Managing Member of the Holowesko Global Fund LLC and the Holowesko Global Equity Fund LLC. All of the directors of HPL are also the directors of the Holowesko Global Fund Ltd. and the Holowesko Global Funds SPC Ltd. Two directors of HPL, Mark Holowesko and Gregory Cleare, are the directors of the Holowesko Growth Funds SPC Ltd. Three directors of HPL, Mark Holowesko, Gregory Cleare and R. Sean Farrington, are the directors of the Farrington Growth Fund Ltd.

The private fund clients and managed account clients of HPL do not invest in each other. The investors in the Holowesko Growth Fund (Segregated Portfolio) and the Farrington Growth Fund Ltd. are shareholders of HPL and these private fund clients are not open to any other private fund investors other than shareholders of HPL. These private fund clients are managed together with other private fund clients and utilize the same trading desk as all HPL clients, however, due to their ownership, they are deemed to be personal accounts for the purposes of the investment preclearance requirements under HPL's Code of Ethics.

### ***Code of Ethics, Participation or Interest In Client Transactions, and Personal Trading***

#### **Code of Ethics**

HPL's Code of Ethics is based on the principle that it has a duty to place the interests of its clients before the interests of HPL and its employees. HPL seeks to avoid both conflicts of interest and employs reasonable care to avoid misleading clients and to provide full and fair disclosures of all material facts to its clients and prospective clients. A complete copy of the Code of Ethics is available to HPL's clients or prospective clients upon request.

### Participation or Interest in Client Transactions

HPL and its employees may invest in a private fund client of HPL. As a consequence, conflicts of interest may arise in connection with decisions made by HPL that may be more beneficial for one client than for another client. HPL does not provide preferential fee or redemption terms to itself and its employees.

### Personal Trading

HPL permits its employees to buy and sell securities for their personal investments. In some cases, employees may buy and sell securities that are also recommended to its clients. To govern such transactions, HPL has adopted employee personal trading policies and procedures that outline the timing and conditions under which employees may buy or sell securities when such securities are also held or traded by clients. The employee trading policies and procedures were established to ensure clients are not adversely impacted by the personal securities transactions of HPL employees.

### Principal Trades

HPL, as principal, does not buy/sell securities for itself from/to any client.

### Agency Cross Transactions

HPL may execute purchase and sale transactions between private fund clients and managed account clients. These transactions are infrequent and generally occur in instances where two private fund clients have the same strategy (parallel funds) and require rebalancing of their underlying portfolio allocations due to disproportionate movements in net asset values resulting from subscriptions and redemptions by their private fund investors. All such agency cross transactions are effected at the independent current market price of the security and the clients provide consent in a separate agreement.

### **Brokerage Practices**

#### Selection of broker/dealers and best execution policy

HPL has discretionary trading authority over the assets of its clients. This discretionary trading authority permits HPL to make investment decisions within the parameters of each client's established investment guidelines and allows HPL to choose the types of investments, the timing of any buys and sells, the broker-dealer to be used in the transaction, and the commission rate to be paid to the broker-dealer that executes the transaction. HPL monitors available broker-dealers in order to provide its clients with the best mix of overall services. Factors considered by HPL when selecting and approving broker-dealers that may be used for execution of trades for client accounts include, but are not limited to, quality of execution and settlement, reputation, block trading capabilities, trading expertise, access to securities, ongoing reliability and responsiveness, nature of the security being traded and overall costs of the trade. In addition, consideration is given to the quality and usefulness of information provided to HPL such as research reports and market data.

#### Soft Dollar Practices

When a firm pays for research or other services through agreed commission arrangements ("soft dollars") as opposed to through normal direct payments for the services ("hard dollars"), the firm receives a benefit by not having to directly pay for the services. The commissions paid under soft dollar arrangements may be higher than commissions that would have otherwise been paid in the absence of the soft dollar arrangements. A firm may have an incentive to select or recommend a broker/dealer based on such arrangements rather than best execution for the client.

HPL seeks to allocate soft dollar commissions across all clients on a pro-rata basis based on the overall investment holdings of each client. HPL utilizes soft dollar services solely for the benefit of its clients in the form of eligible research/data services such as research reports, financial newsletters, and industry and/or company specific analysis reports.

HPL understands its duty for best execution and considers all factors in making recommendations to clients. While HPL may not always obtain the lowest commission rate, HPL believes the rate is reasonable in relation to the value of the brokerage and research services received.

#### *Directed Brokerage*

Clients may not direct brokerage to a specified broker/dealer other than the firm recommended by HPL. HPL selects broker/dealers for all of its clients based upon its assessment of best execution for the client.

#### *Trade Aggregation*

HPL may bundle orders across client accounts to achieve best execution. In such circumstances, orders are aggregated in advance of placing an order and, after execution, settlements (including partial fills) are allocated to client accounts pro-rata based on the original order allocation.

#### *Restricted Trade Execution*

HPL may restrict the trading of securities for certain issuers in instances where (i) it deems it may have received material non-public information; or (ii) a conflict may exist as a result of outside activities of an HPL employee.

#### ***Review of Accounts***

Client accounts are reviewed by HPL's operations personnel on a daily, weekly and monthly basis using detailed review checklists.

The administrator of each private fund client sends out a monthly statement to each private fund investor detailing the monthly transactions and month end value of their holdings. HPL sends out quarterly reports to each private fund investor regarding the performance of its private fund clients. Audited financial statements are prepared for each private fund client on an annual basis and distributed to all private fund clients and investors of private fund clients within 90 days after the relevant fiscal year end.

HPL has not entered into any side letter agreements that provide preferential fee or redemption terms to any investor in a private fund client, including employees of HPL. HPL has provided selected historical portfolio and portfolio statistical information to certain private fund investors upon request for the purposes of risk review and monitoring requirements in situations when HPL has been comfortable that the release of such information was not detrimental to HPL and its clients and other private fund investors. HPL's Chief Executive Officer has agreed to provide certain private fund investors with notice in the event he decides to vacate his position in HPL, which, in the event such notice is ever given, HPL intends to make that information available to all clients and private fund investors at the same time. HPL's policy is to make available proxy voting information to clients and private fund investors upon request.

In the case of managed accounts, the custodian of each managed account would communicate directly with the managed account client detailing the holdings and activities of the managed account. HPL would also communicate account information of the managed account to the custodian of the managed account and the managed account client, as may be required in accordance the investment management agreement for such managed account.

### ***Client Referrals & Other Compensation***

HPL has engaged the services of Franklin Templeton Financial Services Corp. ("FTFS") to assist with the private placement of interest in private fund clients within the U.S. and Canada. HPL pays FTFS a base fee plus a variable amount dependent upon the amount of capital introduced. In addition, there is one entity that receives legacy payments for placements made at earlier dates; however, this relationship is inactive other than these legacy payments.

### ***Custody***

Although HPL does not custody cash or assets, it is deemed to have such custody of client funds because it acts as Managing Member of two of the private fund clients, being the Holowesko Global Fund LLC and Holowesko Global Equity Fund LLC, and because it has authority granted by the private fund clients to make expense payments.

Private fund clients receive monthly account statements from the client's prime broker. In addition, each private fund investor receives directly from the administrator engaged by the private fund client a monthly statement detailing month end holdings in the private fund client as well as audited financial statements of the private fund within 90 days after the fiscal year end date of the respective private fund.

HPL does not have custody of managed account client assets.

### ***Investment Discretion***

HPL's private fund clients and managed account clients have granted investment discretionary authority to HPL, which may be subject to limitations and guidelines relating to investment types and exposures.

### ***Voting Client Securities***

HPL has the authority to vote proxies for investments held by its clients. HPL utilizes the proxy voting services of a subsidiary of Franklin. Clients may contact HPL at the phone number or address listed on the first page of this document to obtain information on how HPL voted on behalf of the client. When voting proxies for clients, HPL's primary objective is to make voting decisions solely in the best interests of its clients. In fulfilling its obligations to clients, HPL acts in a prudent and diligent manner intended to enhance the economic value of the underlying securities held on behalf of clients. In certain cases, HPL may decide not to vote at a meeting where the costs associated with exercising its vote may outweigh the benefit HPL believes its clients would derive by doing so. The Chief Executive Officer is responsible for resolving any voting conflicts that may arise. Clients may request a complete copy of our proxy voting policy.

### ***Financial Information***

An investment advisor must provide its clients with financial information if (i) a threshold of fee prepayments is met, (ii) there is a financial condition likely to impair the ability to meet contractual commitments, or (iii) the advisor has filed for bankruptcy within the past ten years. HPL does not have any disclosure items in this section.

### ***Requirements for State Registered Advisors***

HPL is not registered with any state authority.