

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

### **Sub-Sahara Capital Management LP**

December 24, 2014

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This brochure provides information about the qualifications and business practices of Sub-Sahara Capital Management LP and its affiliates (collectively "Investment Adviser", "we", "us" or similar terms). If you have any questions about the contents of this brochure, please contact Jimmy Atkinson, Chief Financial Officer, at 480-689-4223 or email [jimmy@subsaharacapital.com](mailto:jimmy@subsaharacapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

## Item 2: Material Changes

This Brochure is our initial Form ADV Part 2A, which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if our Brochure—when amended in conjunction with our annual update—contains material changes from our last annual update, we are required to identify and discuss those changes.

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## Item 4: Advisory Business

### A. General Description of Advisory Firm

The Investment Adviser is organized as a limited partnership under the laws of the State of Delaware. Sub-Sahara GP LLC, a Delaware limited liability company, serves as the general partner of the Investment Adviser. Sub-Sahara GP LLC is principally owned and controlled by Richard Walter, who serves as the Investment Adviser's Chief Investment Officer.

The Investment Adviser will serve as the investment adviser and will provide discretionary advisory services to pooled investment vehicles, including Undertakings for Collective Investment in Transferable Securities Directives (each, a "Fund" and collectively, the "Funds"). As used herein, the term "client" generally refers to each Fund.

### B. Description of Advisory Services

The Investment Adviser's objective is to create attractive absolute returns for its clients primarily by investing in the publicly listed securities of companies deriving a majority of their business from Sub-Saharan Africa. We will seek to achieve this objective by selecting the investments of the Funds from all industries and countries in Africa, with a focus on undervalued small cap and mid cap growth companies in Sub-Saharan Africa. Small cap companies are those with a market capitalization of less than \$2 billion and mid-cap companies have a market capitalization between \$2 and \$5 billion dollars. *This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities.*

Currently, we do not have any client assets under management but we expect to have, within 120 days of when our initial registration becomes effective, client assets under management sufficient to allow us to remain eligible for registration with the SEC.

## Item 5: Fees and Compensation

### General

The Investment Adviser will provide investment advisory services to each Fund pursuant to an investment management agreement and/or partnership agreement (the "Management Agreement"). The Management Agreement, and each Fund's partnership agreement, operating agreement, memorandum and articles of association and by-laws or other similar governing or constitutional documents, will set forth in detail any asset-based fee and performance-based compensation terms applicable to such Fund. Fee and performance-based compensation terms will generally be agreed upon when the Investment Adviser establishes an investment advisory relationship with the Fund.

The Investment Adviser expects to charge an asset-based fee (the "Management Fee"), performance-based fees or allocations (the "Incentive Allocation") and certain other fees or expenses related to transactions (see below).

### Management Fee

Generally, a Fund will pay to the Investment Adviser a fee for investment management services (the "Management Fee") for each fiscal quarter equal to 0.375% (1.5% per annum) of the beginning net asset value of the capital account of each investor in a Fund, or the beginning net asset value of each series of shares issued to a shareholder of a Fund, as applicable, for such fiscal quarter. The Management Fee will be calculated and paid in advance but will be amortized monthly by the applicable Fund over the quarter for which such Management Fee is paid.

The Investment Adviser will prorate the Management Fee for any subscription or redemption by an investor that is effective other than as of the first day of a quarter. In the event of a withdrawal or redemption by an investor other than as of the last day of a quarter, the Investment Adviser will pay to the applicable Fund an amount equal to the *pro rata* portion of the Management Fee, based on the actual number of days remaining in such quarter, and cause the Fund to distribute such amount to the withdrawing/redeeming investor.

In the sole discretion of the Investment Adviser, the Management Fee may be waived, reduced or calculated differently with respect to certain investors.

The Management Fee terms described above are subject to change.

### Performance Compensation

Generally, at the end of each fiscal year, the Investment Adviser will receive performance-based fees or allocations (the "Performance Compensation") in an amount equal to 20% of the net capital appreciation (including both realized gains and losses and unrealized appreciation and depreciation of securities held in the applicable Fund's portfolio) allocated to an investor's capital account, or series of shares, as applicable, for such fiscal year after deducting the Management Fee borne by such investor, subject to a loss recovery account.

In the event that a Fund is terminated or an investor withdraws other than at the end of a fiscal year, then for purposes of determining Performance Compensation, net capital appreciation will be determined as if such date were the end of the fiscal year, subject to certain adjustments. In the sole discretion of the Investment Adviser, Performance Compensation may be waived, reduced or calculated differently with respect to certain investors.

The Performance Compensation terms described above are subject to change.

### Payment of Fees

Fees and compensation paid or allocated to the Investment Adviser or its affiliates by the Funds generally will be deducted from the assets of such clients. As discussed above, Management Fees generally will be deducted on a quarterly basis and Performance Compensation generally will be deducted on an annual basis.

### Expenses

Generally, each Fund will bear its own expenses and a *pro rata* share of any master fund expenses, including, without limitation, the Management Fee, if any; investment expenses, whether or not such investments are consummated (such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the Funds (including, without limitation, third-party software licensing, implementation, data management and recovery services and custom development costs); research and market data (including, without limitation, any computer hardware and connectivity hardware (*e.g.*, telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); administrative expenses (including, without limitation, fees and expenses of Fund administrators); legal expenses; external accounting and valuation expenses (including, without limitation, the cost of accounting software packages); audit and tax preparation expenses; costs related to errors and omissions insurance for the Investment Adviser; costs of printing and mailing reports and notices; entity-level taxes (including withholding taxes); corporate licensing; regulatory expenses (including, without limitation, filing fees); organizational expenses; expenses incurred in connection with the offering and sale of interests in the Fund; indemnification expenses; other similar expenses related to the Fund; and extraordinary expenses.

### Additional Compensation and Conflicts of Interest

Neither the Investment Adviser nor any of its supervised persons plans to accept compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

## **Item 6: Performance Based Fees and Side-by-Side Management**

We and our affiliates intend to accept performance-based compensation from every client (other than clients that are not assessed performance-based compensation because it is assessed through another entity in a single master-feeder or similar structure). As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based compensation from some clients, but not from other clients.

## **Item 7: Types of Clients**

We will provide investment advice to our clients. In addition to the Funds, as described above, such clients, in the future may include, high net worth individuals, family offices, fund of hedge funds, endowments, foundations, trusts, charitable organizations, pension plans and corporate or business entities.

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

### Overall Investment Strategy and Methods of Analysis

As described above, the Investment Adviser's objective will be to create attractive absolute returns for its clients primarily by investing in the publicly listed securities of companies deriving a majority of their business from Sub-Saharan Africa.

On the long-side, we will make long-term investments in high growth companies that will benefit from the economic development of Africa. The long focus will be on undervalued small cap and mid cap growth companies in Sub-Saharan Africa. The valuation of these companies is expected to benefit disproportionately as their earnings grow and the market capitalization of the company increases. An increase in a company's market capitalization will also increase its trading liquidity. Improved trading liquidity widens the universe of investors able to invest in these companies, which results in higher valuation multiples. The Investment Adviser will prioritize investments in companies with high free cash flows that are able to pay attractive dividends to shareholders and still grow the business.

On the short side, we will seek companies whose business prospects are deteriorating and whose market value are expected to decline in value. Short exposure will generally be achieved through the use of contracts for differences ("CFDs") in respect of single named equities, equity related securities (such as preferred stocks and convertible preferred stocks) and equity indices comprised of equities.

The first step of the investment process will be to identify attractive companies for long or short investment through a combination of quantitative screening and recommendations from local contacts in Zimbabwe. The next step will be to generate a deeper understanding of each company through management meetings, peer analysis and financial modeling. During this step, the investment team will also search for catalysts that may over time positively or negatively change other investors' perception of the company and increase or decrease its valuation. Finally, the upside (or downside) potential of the company will be compared to existing investments and other potential investments to decide if it should be included in the portfolio and the investment size.

While seeking to maximize absolute returns, the Investment Adviser will attempt to optimize liquidity by giving priority to investments with greater liquidity and tempering the Fund's portfolio's small-cap company focus with other long or short investments in highly liquid large cap companies that also have attractive returns.

The Investment Adviser expects that the majority of the positions in a Fund's portfolio will consist of publicly listed equity securities that trade on African exchanges, but the Investment Adviser may also cause the Funds to invest long or short in options and warrants on publicly listed equity securities. The Investment Adviser may cause its clients to invest in all industries and countries in Africa. Periodically, the Investment Adviser may cause a Fund to invest in publicly listed companies with African businesses that trade on stock exchanges located outside of Africa.

### Summary of Principal Investment Risks

The investment strategies we pursue involve substantial risks, including the risk of total loss of capital. No guarantee or representation is made that the Investment Adviser's investment program, including, without limitation, the Investment Adviser's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of investments otherwise made by the investment professionals of the Investment Adviser are not necessarily indicative of the Funds' or the Investment Adviser's future performance. Clients should be prepared to bear a substantial loss of capital.

The following risk factors do not purport to be a complete list or explanation of the principal risks involved in an investment in any of the Funds that we advise. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

**General Economic and Market Conditions.** The success of the Investment Adviser's activities on behalf of a Fund will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of a Fund's investments. Volatility or illiquidity could impair a Fund's profitability or result in losses. The Investment Adviser may cause a Fund to maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

**Emerging Markets.** The Investment Adviser expects to cause the Funds to invest in emerging markets in Africa. Investments in emerging markets involve a greater degree of risk than investing in developed countries. Among other things, emerging market investments may be subject to the following risks: less publicly available information; more volatile markets and unstable market conditions; changes in interest rates; availability of credit and inflation rates; less liquidity with respect to investments; uncertainty in enforceability of documents; changes in local laws and regulations (including nationalization of industries); political or economic instability (including wars, terrorist acts or security operations); the relatively small size of the securities markets in such countries and the low volume of trading and less strict securities market regulation; less favorable tax or legal provisions; price controls and other restrictive governmental actions; changes in or non-approval of tariffs or other fees or rates charged by or to portfolio companies, potential severe inflation or other serious adverse economic developments; unstable currency; expropriation of property; confiscatory taxation; imposition of withholding and other taxes on dividends, interest capital gains or other income or gross sale or disposition proceeds; fluctuations in the rate of exchange between currencies, non-convertibility of currencies which can result in the inability to repatriate funds, costs associated with currency conversion; and certain government policies that may restrict the Fund's investment opportunities. The foregoing may result in lack of liquidity and in price volatility.

**Risks Associated with Africa.** The Investment Adviser will focus the Funds' investments primarily on the securities of issuers located in Africa, which may expose the Funds to risks that funds investing in securities of issuers in other markets may not be exposed. For instance, financial, economic or political instabilities that impact countries in Africa, and in particular, the sub-Saharan countries, could impact the Funds to a larger degree than other funds that invest in securities of issuers in a broader geographical focus. Changes in economies, tax policies, high inflation rates, governmental instability, war or other political or economic factors may have an adverse effect on the Funds' investments. The Funds will be highly dependent on the state of the economies of countries throughout Africa and, in particular sub-Saharan countries. Some markets in which the Funds may invest are in the earliest stages of development and are characterized as having less liquidity, fewer securities brokers and issuers and more capital market restrictions than developed markets. Markets tend to be volatile, and securities trading in these markets can quickly become illiquid and difficult to value. Certain African governments restrict or control, to varying degrees, the ability of foreign investors to invest in those countries. These restrictions may prevent or limit investments in securities of issuers located or operating in African countries. Less information may be available about companies in which the Funds may invest because many companies that are tied economically to Africa are not subject to uniform accounting, auditing, and financial reporting standards or to other regulatory practices required of U.S. companies. Some countries in Africa may have relatively unstable governments, weaker economies, and less-developed legal systems with fewer security holder rights. A sub-set of African emerging market countries are considered to be "frontier markets." Frontier markets generally have smaller economies and less developed capital markets than traditional emerging markets, and, as a result, the risks of investing in emerging market countries may be magnified in frontier market countries. Any particular country in Africa may be subject to the foregoing risks in greater or lesser degrees relative to other countries in Africa, and as a result, circumstances that may positively affect a country in Africa in which the Investment Adviser does not expect to cause the Funds to invest may not have a corresponding positive effect on other countries in Africa in which the Investment Adviser expects to cause the Funds to invest.

**Non-U.S. Exchanges.** The Investment Adviser may cause the Funds to trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

**Impact of Catalysts.** The Investment Adviser, in analyzing a potential investment, will search for catalysts that may over time positively change other investors' perceptions of a company and increase its valuation. This aspect of the Investment Adviser's strategy will depend upon the Investment Adviser's ability to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as the Investment Adviser had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring that promises to enhance value, but fail to implement it, which can result in losses to investors. Because of the



inherently speculative nature of catalyst-driven investing, the results of the Investment Adviser's strategy may be expected to fluctuate from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

**Long/Short.** The success of the Investment Adviser's long/short investment strategy will depend upon the Investment Adviser's ability to identify and cause the Funds to purchase securities that are undervalued and identify and cause the Funds to sell short securities that are overvalued. The identification of investment opportunities in the implementation of the Investment Adviser's long/short investment strategies will be a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying a Fund's positions were to fail to converge toward, or were to diverge further from values expected by the Investment Adviser, such Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Investment Adviser to close out one or more of a Fund's positions. Furthermore, the valuation models that will be used to determine whether a position presents an attractive opportunity consistent with the Investment Adviser's long/short strategies may become outdated and inaccurate as market conditions change.

**Short Selling.** The success of a Fund's short selling investment strategy depends upon the Investment Adviser's ability to identify and sell short securities that are overvalued. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that a Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and a Fund may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though a Fund secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the Fund to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the Fund.

**Contracts for Differences.** CFDs are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument's value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take a short position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. A CFD is usually terminated at the buyer's initiative. As is the case with owning any

financial instrument, there is the risk of loss associated with buying a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the buyer to post additional margin. CFDs also carry counterparty risk, *i.e.*, the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require the buyer to make additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on a Fund's obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase such Fund's financial risk.

### **Leverage and Borrowing:**

*Borrowing for Cash Management Purposes.* The Investment Adviser will have the authority to borrow for cash management purposes, such as to satisfy withdrawal requests. The rates at and terms on which a Fund can borrow will affect the operating results of the Fund.

*Collateral.* The instruments and borrowings that may be utilized by a Fund to leverage investments may be collateralized by all or a portion of the Fund's portfolio. Accordingly, the Investment Adviser may cause a Fund to pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call", pursuant to which the Funds must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that will provide financing to the Funds can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Funds may have similar rights. There can be no assurance that the Investment Adviser will be able to secure or maintain adequate financing on behalf of a Fund.

*Costs.* Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Funds' portfolio.

**Lending of Portfolio Securities.** The Investment Adviser may cause a Fund to lend securities on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the Fund will be expected to continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

**Micro-, Small- and Medium- Capitalization Companies.** Investments in securities of micro- and small-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

The descriptions of risk factors contained above are a brief overview of different market risks related to the Investment Adviser's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Funds. In addition, key risk areas inherent to investing also include risks related to the operations and investment activities of the Funds, risks related to specific investments, and risks related to non-U.S. and non-U.S. jurisdictions.

## **Item 9: Disciplinary Information**

Neither the Investment Adviser nor any of its officers, directors, or employees or other management persons, has been involved in any legal or disciplinary events that would require disclosure in response to this Item.

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

The Investment Adviser expects to claim an exemption from commodity pool operator registration with respect to certain Funds or affiliates pursuant to CFTC Reg 4.13(a)(3).

The Investment Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

The Investment Adviser and its management persons are not registered as, and do not have any application to register as, futures commission merchants or commodity trading advisors or associated persons of the foregoing entities.

Other than the arrangements describe above, the Investment Adviser and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

### Code of Ethics

The Investment Adviser will adopt a written Code of Ethics (the "Code") that will be applicable to all employees. Among other things, the Code will require the Investment Adviser and its

employees to act in the Funds' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report on many types of personal securities transactions. the Investment Adviser's restrictions on personal securities trading will apply to employees, as well as employees' family members living in the same household. A copy of the Investment Adviser's Code will be available upon request by contacting Jimmy Atkinson at 480-689-4223 or by email at: [jimmy@subsaharacapital.com](mailto:jimmy@subsaharacapital.com).

#### Participation or Interest in Client Transactions

The Code will place restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the Investment Adviser on a periodic basis, and will require that employees pre-clear certain types of personal securities transactions.

The Investment Adviser, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that the Investment Adviser and its personnel may have investments in some Funds but not in others or may have different levels of investments in the various Funds.

The Investment Adviser will establish policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

## **Item 12: Brokerage Practices**

#### Selection of Brokers and Dealers

The Investment Adviser will have complete discretion in deciding which securities will be bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns to be paid.

Portfolio transactions for the Funds will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Investment Adviser and/or certain client accounts, but not beneficial to all client accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Investment Adviser may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) that may be charged to the Funds by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. A significant portion of the trading to be done for the Funds will be done on a net basis, so in many circumstances it may not be possible to determine the amount of commission that will be paid to a broker or dealer. The Investment Adviser will not need to solicit competitive bids and will not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Investment Adviser nor the Funds are expected to separately compensate any broker or dealer for any of these other services.

If the Investment Adviser decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another: the ease of use; the flexibility of the ECN compared to other ECNs; and the level of care and attention that will be given to smaller orders.

The Investment Adviser will maintain policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

### Capital Introduction

From time to time, brokers may assist the Funds in raising additional funds from investors. Additionally, brokers may provide capital introduction and marketing assistance services, and representatives of the Investment Adviser may speak at conferences and programs sponsored by the brokers, for investors interested in investing in private investment funds. Through such events, prospective investors in the Funds may encounter representatives of the Investment Adviser. Brokers may also provide other services, including, without limitation, consulting services relating to technology and office space. Although the Investment Adviser does not intend, or cause the Funds, to compensate brokers for such assistance, events or services, or for any investments ultimately made by prospective investors attending such events, such activities may influence the Investment Adviser in deciding whether to use such broker in connection with brokerage, financing and other activities of the Funds. Subject to its obligation to seek best execution, the Investment Adviser may consider referrals of investors to the Funds in determining its selection of brokers. However, the Investment Adviser will not commit to an investor or a broker to allocate a particular amount of brokerage in any such situation.

### Trade Errors

The Funds may on occasion experience errors with respect to trades that the Investment Adviser makes on their behalf. Trade errors may result in losses or gains. The Investment Adviser generally will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a counterparty, such as a broker-dealer, the Investment Adviser will seek to recover any losses associated with such error from the counterparty. Generally, the Investment Adviser and its affiliates and personnel will not reimburse the Funds for losses resulting from trade errors absent bad faith, gross negligence, willful misconduct or fraud. The Funds (and not the Investment Adviser) will benefit from any

gains resulting from trade errors and will be responsible for any losses (including additional trading costs).

#### Brokerage for Client Referrals

Neither the Investment Adviser nor any related person plans to receive client referrals from any broker-dealer or third party. However, as discussed above, subject to best execution, the Investment Adviser may consider, among other things, capital introduction and marketing assistance with respect to investors in the Funds in selecting or recommending broker-dealers for the Funds.

#### Directed Brokerage

The Investment Adviser does not plan to recommend, request or require that a client direct the Investment Adviser to execute transactions through a specified broker-dealer.

### **Item 13: Review of Accounts**

All investments will be reviewed by the Investment Adviser's investment team, which includes Richard Walter. Investments within a Fund's portfolio will be reviewed on a daily basis and the Investment Adviser investment personnel will meet regularly to discuss the portfolios of the Funds.

The Investment Adviser will provide investors in a Fund with regular reports as will be specified in the each Fund's governing documents. For each Fund, investors will receive audited financial statements for the Fund within 120 days after the conclusion of the Fund's fiscal year, including audited schedules of investments, balance sheets, income statements and cash flow statements.

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

The Investment Adviser will not receive any economic benefits from non-clients in connection with the provision of investment advice to clients.

The Investment Adviser may periodically engage third party placement agents (*i.e.*, solicitors) to introduce prospective investors to the Funds. The fees and expenses of any third-party placement agents will be paid by the Investment Adviser.

### **Item 15: Custody**

The Investment Adviser will be deemed to have custody of the Funds' assets because of the authority that the Investment Adviser and/or its affiliated entities will have over those assets. The Funds' financial statements will be subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements will be distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year end.

## **Item 16: Investment Discretion**

The Investment Adviser will generally have discretionary authority to determine, without obtaining specific consent from a Fund or its investors, the securities and the amounts to be bought or sold on behalf of the Funds. Any limitations on such authority will be included in the respective Fund's governing documents.

## **Item 17: Voting Client Securities**

In compliance with Rule 206(4)-6 under the Advisers Act, the Investment Adviser will adopt proxy voting policies and procedures. The general policy will be to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies"), in a prudent and diligent manner that will serve the applicable Fund's best interest and is in line with each Fund's investment objectives.

The Investment Adviser may take into account all relevant factors, as determined by the Investment Adviser in its discretion, including, without limitation: (i) the impact on the value of the securities or instruments owned by the relevant Fund and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices.

In limited circumstances, the Investment Adviser may refrain from voting Proxies where the Investment Adviser believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to its Funds. Generally, investors may not direct the Investment Adviser vote in a particular solicitation.

Conflicts of interest may arise between the interests of a Fund on the one hand and the Investment Adviser or its affiliates on the other hand. If the Investment Adviser determines that it may have, or is perceived to have, a conflict of interest when voting Proxies, the Investment Adviser will vote in accordance with its Proxy voting policies and procedures. Investors will be able to obtain a copy of the Investment Adviser's Proxy Voting policies and its Proxy voting record by contacting Jimmy Atkinson by phone at 480-689-4223 or by email at: [jimmy@subsaharacapital.com](mailto:jimmy@subsaharacapital.com).

## **Item 18: Financial Information**

The Investment Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past 10 years.