

## **BROCHURE OF**

# **MONTSERRAT GLOBAL ADVISERS, LP**

A Delaware limited partnership registered with the U.S. Securities and Exchange Commission as  
an Investment Adviser  
CRD# 179530

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**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF MONTSERRAT GLOBAL ADVISERS, LP. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (646) 998-6475.**

**THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY.**

**ADDITIONAL INFORMATION ABOUT MONTSERRAT GLOBAL ADVISERS, LP ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other documents containing information about Firm.

### **Material Changes**

This is Montserrat Global Advisers, LP's initial Brochure. There are no material changes to report regarding our advisory business.

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## **ADVISORY BUSINESS**

Montserrat Global Advisers, LP (the “Firm”) is a Delaware limited partnership, which was formed on November 18, 2014. The Firm is 99% owned by Raj Mehra and 1% owned by Montserrat Global Advisers GP, LLC (“MGA”). Dr. Mehra is the managing member of MGA and controls the Firm’s operations and activities.

The Firm currently provides investment management services to Montserrat Healthcare Fund, LP, a Delaware limited liability partnership, Montserrat Healthcare Fund Offshore, Ltd., a Cayman Islands exempted company and Montserrat Healthcare Master Fund, L.P., a Cayman Islands exempted limited partnership (each, a “Fund” and, collectively, the “Funds”). Both are private fund clients, which in turn are offered exclusively to sophisticated investors. Investors in the Funds are accredited investors (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended) and qualified clients (as defined in Rule 205-3 promulgated under the Investment Advisers Act of 1940, as amended). In addition, the Firm intends to offer investment advisory services to sophisticated investors on a discretionary basis through separately managed accounts (SMAs), which utilize a pre-formulated strategy and are custom tailored to different individual objectives.

## **FEES AND COMPENSATION**

The Firm generally charges a quarterly management fee on a quarterly basis. The management fee equals 0.5% (2.0% annually) of assets under management with respect to each Fund. The Firm generally receives a performance-based compensation from each Fund on an annual basis equal to 20% based upon the performance of the Fund. All management fees and performance-based compensation are calculated pursuant to the governing documents of the Fund.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Firm and its affiliates accept performance-based compensation from every client. As a result, the Firm and its affiliates do not face the conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

The performance-based fees may, however, create an incentive to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such performance-based fees were not assessed.

Specific details regarding any performance-based compensation are set forth in each respective client’s investment management agreement or the private placement memorandum for a Fund investor.

### *Separately Managed Accounts*

The Firm intends to manage separate institutional and individual client accounts on a discretionary basis. The Firm’s focuses on predominantly long and short positions in U.S. and

foreign equity securities. The Firm strategy is to seek to achieve above-average capital appreciation over the long term through investments generally focused on the healthcare industry.

All clients/investors incur third-party brokerage commission and other transaction costs, as explained in further detail in the **Brokerage Practices** section below. Additional third-party costs related mainly to custody, audit, administration, legal advice, tax advice and preparation, banking services, and research and consulting may also apply for Fund investors. In some cases, the Funds may also be billed to reimburse the Firm for certain travel expenses. In all cases, details concerning applicable fees and expenses are set forth in each respective client's limited partnership agreement, limited liability company operating agreement, investment management agreement, and/or prospectus.

## **TYPES OF CLIENTS**

As discussed in the **Advisory Business** section above, the Firm currently provides investment management services primarily to the Funds, which in turn are offered exclusively to sophisticated investors. The Firm also intends to offer investment management services to sophisticated investors on a discretionary basis through SMAs. Although the Firm generally seeks minimum account commitments from its investors/clients of US\$ 1,000,000, it can waive such minimums in its discretion. Minimums for SMAs will be negotiated with such clients.

## **INVESTMENT STRATEGIES AND RISK OF LOSS**

Each strategy employed by the Firm has its own set of risks, but in all cases, the Firm's strategies involve a risk of loss that clients should understand and be prepared to bear.

The Firm may provide investment management services Funds and may also manage other accounts and/or establish other private investment funds in the future.

The Firm will attempt to achieve above-average capital appreciation over the long term through investments generally focused on the healthcare industry. While investments will predominantly be long and short positions in U.S. and foreign equity securities, the Firm will also consider using other financial instruments and, over time, making private investments in public entities (PIPES) and investments in private companies. In the future, the Firm may use its experience and knowledge in healthcare to broaden its investment opportunities.

The Firm intends to construct a healthcare-focused equity portfolio using a bottom-up research process for stock selection and augment this with appropriate risk controls. The Firm seeks to identify investments that are particularly compelling, and a concentration of these investments will make up a cornerstone of its portfolio. It is anticipated that one or several 'high-conviction' investments will each comprise a sizable weight in its portfolio, and that such weights could increase as these investments appreciate.

The Firm generally seeks to achieve diversification within the healthcare universe by investing in all sectors of healthcare (i.e., pharmaceuticals, medical devices, biotechnology and healthcare services), across different sized companies (various market capitalizations), and across different

geographies. In the course of doing research, the Firm might also identify opportunities outside of the healthcare arena that fit with its investment philosophy.

The Firm believes that, more often than not, equity markets are efficient. Stocks are usually priced to incorporate reasonable probabilities for the potential outcomes that may affect a company. However, the Firm believes that there are enough exceptions to this rule that investment opportunities abound.

This strategy involves a number of material risks, including, but not limited to: the lack of a liquid public market for investments and therefore a restricted ability to sell positions; the severe restriction on the ability of investors in the funds to withdraw or redeem their capital; and the ability of the Firm and its investment professionals to correctly identify and assess good investment opportunities, particularly given the often early stage of development of the businesses invested in, their frequent need for additional capital and the often rapidly shifting dynamics and intense competition that characterize the industries in which they operate.

The Firm's investment strategy may also include foreign securities, options, making private investments in public entities and the use of leverage, as further set forth in the Funds' private placement memorandum or a SMA's investment management agreement.

A more complete discussion of the investment strategy and risks involved is contained in the relevant private placement memorandum for the Funds (or the investment management agreement for SMAs) and should be read carefully. The Firm's investment strategy involves a risk of loss that investors/clients should understand and be prepared to bear.

## **DISCIPLINARY INFORMATION**

The Firm does not believe that any of the Firm, or any of the partners, officers or employees of the Firm, have been involved in any legal or regulatory action, or other disciplinary event that is material to an investor's or prospective investor's evaluation of the advisory business or management of the Firm.

The Firm has no existing or pending affiliations with a broker-dealer or a registered representative of a broker-dealer. The Firm has no existing or pending affiliations with a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), or Commodity Trading Advisor (CTA).

## **CODE OF ETHICS AND PERSONAL TRADING POLICIES**

The Firm maintains a code of ethics, which includes policies regarding the trading of securities in personal brokerage or similar accounts by its principals and employees. The code does not restrict the Firm principals, members and employees from maintaining or trading in such accounts, but establishes that any activity that either abuses confidential knowledge about client accounts or attempts to profit at their expense is considered an abuse of the foundation of trust upon which the Firm's business is built and is strictly prohibited. All the Firm directors, members and employees are required to submit annual reports on all securities holdings and

quarterly reports on all security transactions in accounts controlled either directly or indirectly (although certain exceptions apply). Submitted reports are reviewed by the Chief Compliance Officer, or his delegate. Violations of policy are punishable by sanctions including fines and termination of employment.

## **BROKERAGE PRACTICES**

The Firm has discretion over the selection of brokers used for securities transactions in its private fund clients' accounts, and may have similar discretion in the accounts of its institutional and individual clients managed on a separate account basis. Where the Firm has such discretion, its selection of brokers will take into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; The Firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available brokerage and research products and services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the other selection criteria.

### ***Soft Dollar Benefits***

The term "soft dollars" refers to the receipt by an investment manager or adviser of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment manager's clients. Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain brokerage and research products and services. Brokerage products and services must relate to the execution, clearance and settlement of trades. Research products and services must provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities. The Firm will only use soft dollars within the safe harbor afforded by Section 28(e) of the Exchange Act.

If applicable, the use of brokerage commissions to obtain investment research services and to pay for the Firm's administrative costs and expenses creates a conflict of interest between the Firm, on the one hand, and its clients, on the other, because the investor/client pays for such products and services that are not exclusively for the benefit of the investor/client and that may be primarily for the benefit of Firm or other investors/clients.

## **REVIEW OF ACCOUNTS**

Client accounts are reviewed by their respective portfolio managers and the chief compliance officer ("Chief Compliance Officer") on either a daily, monthly or a quarterly basis, depending on activity in the account and the frequency of client reporting. Investors in the Firm's private funds receive written statements containing individual net asset values on a monthly or quarterly basis, either from the Firm directly or from the client's independent fund administrator, as set

forth in the terms of the relevant private placement memorandum or partnership or limited liability company agreement. Clients with SMAs generally have real-time access to reports of net asset values and account activity.

## **CLIENT REFERRALS**

The Firm may enter into arrangements with unaffiliated third parties whereby compensation is paid for referring clients or investors. Generally, these payments are based on a percentage of management fees, performance-based fees, or some combination thereof, earned by the Firm with respect to such client or investor. Because such arrangements contain inherent conflicts of interests between the referring party, on the one hand, and the client/investor, on the other, the Firm requires documentation that these conflicts have been disclosed and consented to by clients.

## **CUSTODY**

The Firm may be considered to have custody of client assets as a result of fee payments or the service of its affiliates as general partner to private investment partnerships. Actual custody of client assets, however, is at a broker-dealer, bank or other qualified custodian. Clients should carefully review all account statements and compare those received from the Firm with those received directly from its designated administrators. For its private funds, the Firm will send audited financial statements, prepared in accordance with GAAP, to each fund investor within 120 days after such fund's fiscal year end.

## **INVESTMENT DISCRETION**

As an investment adviser, the Firm generally has discretionary authority over clients' accounts to determine securities bought and sold and in what quantities, the amount of leverage employed, the broker-dealer used and the commission rates to pay, among other things. The specific terms of the scope of such investment discretion is detailed in the relevant account's investment management agreement.

## **PROXY VOTING POLICY**

The Firm has adopted a proxy voting policy that is guided by its fiduciary responsibilities and commits its principals and employees to vote in a manner which is believed to do the most to maximize shareholder value and to never prioritize unrelated objectives. Proxy votes are reviewed by the Chief Compliance Officer or his delegate for adherence to this policy.

## **FINANCIAL INFORMATION**

The Firm does not require or solicit prepayment of management fees six or more months in advance. The Firm has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to its clients. Additionally, the Firm has not been the subject of a bankruptcy petition at any time during the past ten years.



For questions or requests for additional information, please contact the Chief Compliance Officer at the number or address listed on the cover of this brochure.