

**ITEM 1: COVER PAGE**

**CRYDER CAPITAL PARTNERS LLP**  
**(“Cryder Capital”)**

**Form ADV, Part 2A**  
**(the “Brochure”)**

March 2018

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This brochure provides information about the qualifications and business practices of Cryder Capital. If you have any questions about the contents of this brochure, please contact us at [skelly@crydercapital.com](mailto:skelly@crydercapital.com) or +44 207 907 9254. 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.

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

Cryder Capital may refer to itself as a “registered investment adviser” or “RIA”. You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

## **ITEM 2: MATERIAL CHANGES**

There have been no material changes made to this Brochure since the Firm's previous filing on 30 March 2017.

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#### **ITEM 4: ADVISORY BUSINESS**

Cryder Capital Partners LLP (“Cryder Capital” or the “Firm”) was organized as a limited liability partnership in the United Kingdom on 20 December 2010. The Firm was established by Ferdinand Groos, Michael Palm Andersen and Thomas Carreras. The Firm’s principal office is 10 Cork Street, London W1S 3NP, United Kingdom.

Cryder Capital has been authorized and regulated by the United Kingdom Financial Conduct Authority and its predecessor, the United Kingdom Financial Services Authority, since 20 December 2011 to carry on investment business.

The Firm serves as an investment manager to pooled investment vehicles and pension plans. (Please see Item 7 of this Brochure for more information with respect to the Firm’s clients.) The Firm provides such investment management services on a discretionary basis only.

Cryder Capital undertakes discretionary management of mandates which are offered to clients either by way of segregated accounts or through a pooled master/feeder investment vehicle, Cryder Capital Partners Master Fund L.P. / Cryder Capital Partners Inc. (collectively, the “Fund” or the “Private Fund”).

##### ***Principal Ownership of the Firm***

Cryder Capital is indirectly wholly owned by Ferdinand Groos.

##### ***Advisory Services Provided to the Fund***

The Firm provides discretionary advisory services for the Private Fund, a Cayman Islands master/feeder fund. A description of the Fund’s strategy is set forth in Item 8 below. Details regarding the services provided to the Fund and otherwise regarding Cryder Capital’s arrangements with the Fund are set forth in the Fund’s offering memorandum.

The Fund is managed only in accordance with its own characteristics and is not tailored to any particular shareholder (each an “investor”). Since Cryder Capital does not provide individualized advice to the investors (and an investment in the Fund does not, in and of itself, create an advisory relationship between the investor and Cryder Capital), investors must consider whether an investment in the Fund meets their investment objectives and risk tolerance prior to investing. While this Brochure may be provided to investors, and may include information about the Fund, this Brochure is intended solely to provide information about Cryder Capital and should not be considered to be an offer of interests in the Fund. Information about the Fund can be found in its offering memorandum.

##### ***Advisory Services Provided to Separate Account Clients***

For segregated account clients, Cryder Capital offers asset management services that consist of continuous and ongoing supervision over specified accounts. Each client enters into a written investment management agreement to appoint Cryder Capital as the investment adviser with respect to an account. Each account consists only of assets held by a qualified custodian under the client’s name. The custodian maintains custody of all funds and securities in the account, and the client retains all rights of ownership (e.g., the right to withdraw securities or cash, and the right to exercise or delegate proxy voting).

As set forth in each investment management agreement, each account shall be invested in accordance with Cryder Capital’s investment strategy. A description of that investment strategy and certain risk factors is set forth in Item 8 below.

The investment recommendations and any decisions of Cryder Capital with respect to the strategy and each account are subject to various market, currency, economic, political and business risks, and will not

necessarily be profitable. Cryder Capital cannot guarantee the future performance of the investment strategy or account, promise any specific level of performance, or promise that Cryder Capital's investment decisions or overall management of the investment strategy or account will be successful. Any asset withdrawals or any client investment restrictions may impair achievement of investment objectives. Cryder Capital may manage investments for a number of clients, and may give advice or take actions for some clients that is different than the advice provided or actions taken for others. Cryder Capital is not obligated to buy, sell or recommend any security or investment that we may buy, sell or recommend for any other client or for its own accounts. Neither Cryder Capital nor its partners or employees make any representations or warranties, express or implied, that any level of performance or investment results will be achieved by the investment strategy or account, or that any investment strategy or account will perform comparably with any standard or index, including any other clients of the Firm, and including clients whose accounts may be invested in the same strategy as other clients.

Cryder Capital is generally not expected to consider and diversify a client's account based on any other assets the client might hold, and Cryder Capital's only responsibility with respect to diversification is to invest the assets held in that account in accordance with the investment strategy set forth in the relevant investment management agreement.

Each investment management agreement will also identify any investment restrictions that the client may impose with respect to the relevant account. Cryder Capital will not enter into any investment management agreement if a prospective client seeks to impose unduly restrictive investment restrictions.

#### ***Assets under Management***

As of 31st December, 2017, Cryder Capital managed approximately \$456 million of client assets on a discretionary basis. Cryder Capital does not manage any assets on a non-discretionary basis.

### **ITEM 5: FEES AND COMPENSATION**

Fees paid to Cryder Capital for investment advisory services ("management fees") are generally dependent on the nature of the services being provided. In addition to management fees, which cover only Cryder Capital's advisory services, clients bear other costs that are necessary or incidental to the advisory service ("incidental expenses"). The particular incidental expenses may vary from client to client, although all clients will be subject to certain types of incidental expenses, including costs associated with buying, selling, or holding investments, such as custody fees and charges and expenses associated with transactions such as taxes, duties and commissions, commission equivalents and other brokerage expenses.

Cryder Capital's fees and any incidental expenses will reduce the assets held in, and the return experienced by, client accounts. Management fees and incidental expenses associated with accounts managed by Cryder Capital are described below by client type (private fund and separate accounts).

#### ***Private Funds***

The fees and expenses of the private funds are described in greater detail in the private funds' offering documents.

Management Fee. Class A and Class A2 of Cryder Capital Partners Master Fund L.P. pay an annual management fee of 1.00% and 0.80% respectively of the fund's net asset value, payable monthly in arrears, and a carried interest equivalent to 15% of each limited partner's net profits (subject to a preferred return of 6%). Two other classes (Classes C and D) pay lower fees and are only available for investment by Cryder Capital, its affiliates, their directors and their staff, and friends and family of Cryder Capital's staff.

*Other Fees and Expenses.* Incidental expenses of the private funds include brokerage fees, commissions, transfer taxes, and other costs in connection with the acquisition and disposition of portfolio securities. In addition, the fund bears the cost of custody fees, depositary fees, governmental charges, taxes and duties, transfer fees, registration fees, research and other expenses associated with buying, selling or holding investments and withholding taxes payable or required to be withheld by issuers or their agents. The private funds also bear expenses such as legal, acquainting, offering and printing, regulatory or tax compliance expenses, operational expenses, audit expenses and administrative expenses.

### ***Separate Account Clients***

Cryder Capital may negotiate management fees for separate account investors which differ from the management fees of the fund, with this agreed on a case-by-case basis. Reasons for differing management fee terms may include the quantum of the funds invested, the duration for which the funds are entrusted to Cryder Capital, the terms of performance-based fees agreed to by the investor, and reasons deemed to be strategic in the sole discretion of Cryder Capital.

Separate account clients also are subject to performance-based fees, the terms of which are negotiated with clients on a case-by-case basis.

Set up and operating costs for a separate account would relate to the specific Custodian and Trustee (as applicable) appointed by the Client.

Aside from the annual management fee, VAT may be applicable, subject to status of the account. In addition, each client is responsible for custody fees, administration fees, research expense and brokerage fees in addition to Cryder Capital's charges.

The specific manner in which fees are charged is established in a client's written agreement with Cryder Capital. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. If a client chooses automatic debiting from the separate account, the client must authorize the qualified custodian for the account to deduct the fees and pay Cryder Capital. Each client should review the account statements provided by the custodian and verify that the appropriate management fees are being deducted.

The Firm's management fees only cover advisory services from Cryder Capital. Separate accounts are responsible for certain additional fees, expenses and costs (in addition to the management fee) which are incidental or related to the maintenance of an account for the buying, selling and holding of investments, including but not limited to brokerage commissions and related costs and expenses, transaction fees, custodial fees, governmental charges, deferred sales charges, taxes and duties, wire transfer and electronic fund fees, transfer fees, registration fees, withholding taxes payable and required to be withheld on by issuers or agents, fees associated with cash sweep or cash management vehicles (including unaffiliated money market funds) and other fees and taxes on brokerage accounts and securities transactions.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Currently, Cryder Capital is entitled to receive performance-based fees from each of its clients.

The structure of any performance fee is subject to negotiation and agreement with the client and documented in the investment management agreement and/or fund documentation.

Performance-based fee arrangements could create conflicts of interest for Cryder Capital to invest in riskier investments. It is possible that performance-based fees also could create conflicts of interest for Cryder Capital to favor the performance of a client with a higher performance-based fee client by allocating

investment opportunities to them instead of to other clients with lower performance-based fees. Cryder Capital's compensation might therefore be larger than it would otherwise be.

Cryder Capital has strict policies in place to ensure that all clients are treated fairly and equitably, subject to the individual fee terms agreed with the individual client.

## **ITEM 7: TYPES OF CLIENTS**

Cryder Capital provides portfolio management services to U.S. and non-U.S. domiciled institutional clients including: pension schemes, foundations, endowments, family offices and ultra-high net worth investors. The Firm does not offer investment management services to retail investors.

The minimum account managed by Cryder Capital should be at least \$30 million, although the Firm may at its discretion and in certain circumstances manage accounts with lesser amounts.

The Firm's pooled investment vehicles have more than one account minimum (as set out in the applicable private fund's offering document). These minimums may be waived by the managing entity of the pooled vehicle in its sole discretion.

Cryder Capital's clients include privately placed pooled investment vehicles (each a "Private Fund"). This Brochure may be provided to current or prospective investors in a Private Fund, together with the Private Fund's offering memorandum or private placement memorandum ("PPM") organizational documents and other related documents (the Private Fund's "Governing Documents"), prior to or in connection with such person's consideration or execution of an investment in a Private Fund, and may subsequently be provided at Cryder Capital's discretion or, annually, at the request of an investor in the Private Fund(s) (each an "Investor"). Investors and other recipients should be aware that while the Brochure may include information about the Private Funds, as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with any Private Fund. More complete information about each Private Fund is included in the Private Fund's PPM, which may be provided to current and eligible prospective investors only by Cryder Capital or another authorized party.

**In no event should this Brochure be considered to be an offer of interests in a Private Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.** Rather, this Brochure is designed solely to provide information about Cryder Capital for the purpose of compliance with certain obligations under the Investment Advisers Act of 1940, as amended (the "Advisers Act") and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in a PPM. To the extent that there is any conflict between discussions herein and similar or related discussions in any PPM, the PPM shall govern.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Clients, investors and potential clients and investors are reminded that investing in securities involves a risk of loss that investors should be prepared to bear. Clients and investors could lose some or all of their investment.

### ***Investment Objective***

Cryder Capital's investment objectives for each Private Fund and client account are (i) long term capital preservation in real terms, (ii) the generation of compelling absolute returns and (iii) material outperformance of broad equity indices on a sustained basis.

### ***Investment Strategy***

Cryder Capital utilizes an investment strategy of investing as an owner of businesses as opposed to a mere holder of securities.

The Firm seeks to do this for client accounts and the Private Funds by acquiring shares in companies that can be characterized by (i) a sustainable competitive advantage, (ii) able and trustworthy management and (iii) superior rates of return on capital reinvested by those companies or a demonstrable discipline of returning cash to shareholders absent superior returns opportunities.

Cryder Capital intends to do this by:

- Selecting securities based on intensive industry, business, management and ownership research and strict pricing and valuation discipline;

- Utilizing multiple absolute and relative valuation approaches if it considers it appropriate to do so, in particular with respect to measures of historic and expected cash flow;

- Investing in special situations such as spin-off or recapitalization transactions that it considers to be truly compelling investment opportunities, but subject always to the investment approach detailed above;

- Favoring investments that, in addition to compelling cash flow based value, are characterized by idiosyncratic factors offering asymmetric appreciation potential;

- Being biased towards reallocating capital when the Firm's assessment of a security's absolute value is no longer compelling;

- Going wholly or partly to cash under certain market conditions if the Firm finds no, or only very few, compelling opportunities; and

- Acting in a manner consistent with investing as opposed to trading.

Cryder Capital expects to make the majority of its investments in issuers headquartered in the USA, Canada and Western Europe, although it has the ability to make investments across all industries, and is not subject to any geographic limitations.

Cryder Capital expects to invest in up to 30 equity and equity-related securities at any given time for each client account, all of which will be listed or traded on exchanges or regulated markets. Each client account is expected to have a concentration limit in relation to the securities of any one company of 20 percent of the account at the time of purchase. This percentage limitation applies to any investment at the time the investment is made.

Subject to these concentration limits, Cryder Capital does not have fixed guidelines for diversification and may concentrate client account investments in particular countries, issuers or types of investments and may utilize different investment strategies, depending on the Firm's assessment of the available investment opportunities.

Clients may be exposed to a limited level of leverage in order to increase the amount of assets available for investment when deemed appropriate by Cryder Capital, depending upon the Firm's view of financial



market conditions, the volatility of each client's assets and other considerations. Such leverage may be achieved by borrowing funds from prime brokers, brokerage firms, banks and other financial institutions and counterparties. In each case, leverage may be obtained on an unsecured or secured/collateralized basis.

Clients and investors should understand that all investments are subject to risks and that the return and the principal value of investments fluctuate depending on general market conditions and other factors, so that from time to time the value of an investment may be worth more or less than its original cost. You should be prepared to bear the risk of loss if you desire to sell your investment at a time when its value is worth less than the original cost. Further, depending on the types of investments, there may be varying degrees of risk. You should be prepared to bear investment loss including the loss of your original principal. You may lose money.

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable.

Principal risks associated with any account or investment, as well as specific risks associated with certain strategies or investment objectives are described below.

More detail with risks associated with Private Funds is set forth in each fund's information memorandum. The list below does not purport to be an exhaustive list of the risks that may be associated with any particular account or investment.

#### *Risks associated with Currency*

Stocks in different jurisdictions are subject to fluctuations in currency movements and there is a risk that investments might experience currency and foreign exchange rate fluctuations that may adversely affect the value of investments in the portfolio.

#### *Risks associated with the use of Counterparties*

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent which could cause losses to the client accounts.

#### *Risks associated with Non-Diversification/Concentration*

Accounts that are non-diversified or more concentrated may have larger positions in fewer companies than would a diversified portfolio. A concentrated portfolio is more likely to experience significant fluctuations in value, exposing an investor to a greater risk of loss in any given period than a diversified portfolio.

#### *Risks associated with Liquidity*

Some assets in client accounts may be difficult to sell (i.e. illiquid stocks) when required and may limit the fund manager's ability to readily convert the investment into cash.

#### *Risks associated with Leverage*

While the use of leverage may increase the returns of an investment, it will also involve a high degree of risk. Leverage will create an opportunity for greater yield and total return but it will also increase client accounts' exposure to capital risk and interest costs and may result in significant losses.

#### *Risks associated with Emerging Markets*

In certain circumstances, Cryder Capital may invest in emerging markets, which are more volatile than investments in more developed markets due to political and economic situations in emerging countries. Securities markets in emerging market countries may be smaller than those in developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Potential political instability and corruption, as well as lower standards of regulation for business practices, increase the possibility of fraud or other legal problems. Public information may be limited with respect to emerging market issuers, and they may not be subject to uniform accounting, auditing, and financial standards and requirements. Investment in emerging market securities presents greater risk and is intended only for investors who are able to bear and assume this increased risk.

#### *Risks associated with Derivative Instruments*

Derivative instruments may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments.

Where Cryder Capital uses derivatives as a significant part of the investment strategy, the value of these investments can change rapidly and may cause a private fund or client account to lose a significant amount of value. Cryder Capital may use futures, options, warrants, swaps and other derivative instruments. Derivative instruments may be exchange-traded or over-the-counter. Cryder Capital may also engage in short sales. Amounts may be retained in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral if it is considered appropriate to the client's objective.

#### *Risks for Private Fund Investments*

The principal risks for the private funds are described above. More detail and specific risks associated with certain investment objectives or strategies is set forth in each Private Fund's offering memorandum.

This list does not purport to be an exhaustive list of risks that may be associated with any particular account or investment.

### **ITEM 9: DISCIPLINARY INFORMATION**

Neither Cryder Capital, nor any of its partners or employees, have been subject to legal or disciplinary events that are material to its advisory business or that would-be material to its existing or prospective clients' evaluation of its advisory business or the integrity of its management.

### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Cryder Capital is wholly owned by Ferdinand Groos.

Cryder Capital only undertakes investment advisory services and does not undertake any other business activities. Specifically, Cryder Capital does not recommend or select other investment advisers for its clients or receive compensation directly or indirectly from any advisers or otherwise have a relationship with other advisers that creates a material conflict of interest.

Neither Cryder Capital, nor any partner or other personnel of Cryder Capital, is registered, nor has an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

#### ***Private Funds***

As discussed in Items 4, 5 and 7, Cryder Capital provides investment advice to private funds. Cryder Capital personnel have significant interests in the private funds. Please see Items 11 and 12 for a discussion of related conflicts and the policies and procedures Cryder Capital has adopted to assess these conflicts.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Cryder Capital has established a variety of restrictions, procedures and disclosures designed to address conflicts of interest arising between and among client accounts as well as between client accounts and the Firm and its personnel. As partners and personnel of a registered investment adviser, all such personnel must act in accordance with the fiduciary standard prescribed by the Advisers Act. In addition to the provisions of the Code of Ethics which are described in greater detail below, Cryder Capital maintains a written Conflict of Interest Summary which identifies conflicts and potential conflicts of interest faced by the Firm and the relevant controls in place to address such conflicts. A current copy of the Code of Ethics can be obtained by contacting:

Cryder Capital Partners LLP  
10 Cork Street  
London  
W1S 3NP  
United Kingdom

Sharon Alice Kelly  
Email: [skelly@crydercapital.com](mailto:skelly@crydercapital.com)  
Telephone: +44 207 907 9254  
[www.crydercapital.com](http://www.crydercapital.com)

### ***Code of Ethics***

Cryder Capital has a fiduciary duty to its clients, and accordingly has adopted a Code of Ethics (the “Code”) that applies to all partners and employees. The Code describes the standard of conduct Cryder Capital requires of its partners and employees including personal trading in accounts owned, managed or beneficially owned by the individual. The Code’s provisions also include requirements relating to areas such as gifts and business entertainment, confidentiality of information, the provision and solicitation of political and charitable contributions and outside appointments. The Code of Ethics is reviewed at least annually and approved by the Chief Compliance Officer.

### ***Personal Trading***

All partners and employees must submit all personal trades to the Chief Compliance Officer for authorization. All partners and employees must provide Cryder Capital with a listing of their securities holdings, as well as copies of trade confirmations and details of their brokerage accounts. These requirements of the Code apply to all accounts over which employees have investment discretion, or in which they have a direct or indirect beneficial ownership interest.

### ***Participation or Interest in Client Transactions***

Partners and employees of Cryder Capital may invest in private funds managed by Cryder Capital. Cryder Capital requires that any personal transactions in a private fund must be approved by the Chief Compliance Officer and/or Chief Operating Officer.

Cryder Capital does not buy or sell, for Cryder Capital’s accounts, securities that Cryder Capital has recommended to our clients. Cryder Capital also does not engage in principal trades with our Clients.

Certain Cryder Capital personnel have significant investments in the Private Fund. These interests may create an incentive to favor the Private Fund over other client accounts when, for example, placing trades, aggregating orders, selling short or engaging in cross trades. Cryder Capital maintains policies and procedures, including the Code and policies and procedures regarding batch transactions (described in Item 12), reasonably designed to assure that Cryder Capital and its personnel service all client accounts in a manner consistent with the duties an adviser owes to its clients and applicable law and without considering such persons' ownership, compensatory or other pecuniary or financial interests.

### ***Insider Trading/Material Non-Public Information***

In addition, Cryder Capital's Code of Ethics also includes policies and procedures prohibiting the use of material non-public information that are designed to prevent insider trading by any partner or employee of the Firm. In accordance with these policies, any matter which may involve inside information is required to be brought to the attention of the Chief Compliance Officer prior to any trading activity. In addition, to prevent trading of public securities based on material, non-public information, the Firm maintains a "restricted list" that identifies any securities that cannot be purchased for personal or client accounts because material, non-public information may have been received by a partner or employee of the Firm. Provided the issuers of such securities are set up in the Firm's systems, such issuers named on this restricted list are coded as "prohibited" in the Firm's trading and portfolio compliance system, thus blocking the Firm from trading in these securities without the consent of the Firm's Chief Compliance Officer.

### ***Gifts and Business Entertainment***

The Firm's Code of Ethics includes policies and procedures regarding giving or receiving gifts and business entertainment between the Firm's partners, employees and certain third parties (e.g. vendors, broker/dealers, consultants, etc.) to help mitigate the potential for conflicts of interest surrounding these practices. The Firm specifically monitors for any potential conflicts of interest with respect to individual instances of gifts or entertainment, as well as patterns of the same over time, to prevent the interests of the Firm and its partners and employees from being placed ahead of the interests of its clients.

### ***Charitable Contributions***

From time to time, the Firm may donate to charitable causes. In general, those donations are made in response to requests from the Firm's partners or employees. The Chief Operating Officer approves all charitable contributions to be made by the Firm. Requests for charitable contributions from clients or potential clients are not permitted without the consent of the Managing Partner.

### ***Political Contributions***

The Firm prohibits its partners and employees from making political contributions on behalf of the Firm or to be reimbursed for personal political contributions, or from making political contributions for the purpose of securing or retaining business. All requests for political or campaign contributions from clients or potential clients are required to be declined and are strictly forbidden.

## **ITEM 12: BROKERAGE PRACTICES**

Cryder Capital owes each of its clients a duty of care and loyalty. The Firm is required to execute securities transactions for its clients in a manner such that the net proceeds to the client are the most favorable under the circumstances. It is Cryder Capital's policy to select brokers or counterparties to execute client transactions in a manner that is consistent with the best interests of its clients and to employ a trading process that attempts to maximize the value of a client's portfolio within the client's stated investment objectives and constraints. In selecting a broker, Cryder Capital may consider various relevant factors, although no one factor is determinative in Cryder Capital's decision-making process. These factors include

one or more of, but are not limited to, best price, current market conditions, time constraints, liquidity, volatility in the markets, volatility in the particular type of security or asset, size and type of transaction, the nature and character of the market for the security or asset in the transaction, confidentiality, execution efficiency, settlement capabilities, financial soundness and credit worthiness of the broker, full range and quality of the broker's services, the responsiveness, reputation, reliability and experience of the broker, the reasonableness of any commissions or spreads, difficulty of execution, ability and willingness to commit capital to the transaction, past effectiveness in executing illiquid or difficult types of securities or assets or difficult types of orders and the value of brokerage and research.

Best execution means that the net proceeds to a client are the most favorable under the circumstances. Best execution does not mean that the client always must obtain the lowest possible commission cost. It is Cryder Capital's policy to establish the methods to be followed to ensure that it is seeking to achieve best execution of its clients' portfolio transactions while complying with all applicable regulatory standards and the investment guidelines of its clients. All brokers are subject to initial vetting and thereafter regular performance review by the Broker Committee. Cryder Capital will always seek brokers that provide an efficient service at a commission rate that is competitive and in line with market norms or better. The rate negotiated is reviewed on a regular basis by the Broker Committee.

### ***Trade Aggregation and Allocation***

When the same investment decision is made for more than one client on the same day, Cryder Capital may place orders to buy or sell the same security for a number of clients. Whenever possible, orders to purchase or sell the same security for multiple accounts are aggregated. Cryder Capital will not aggregate investment transactions for accounts unless the transaction is consistent with the Firm's duties to its clients, the terms of the applicable investment advisory agreement and each account's investment objectives, restrictions and policies.

Cryder Capital's general policy is to aggregate orders for one or more clients in the same security if the investment decisions for such clients are made contemporaneously or, before an order for one client has been executed, a decision to purchase or sell the same security is made on behalf of another client. The orders for two or more clients should be aggregated only if Cryder Capital determines that:

- Aggregation is consistent with Cryder Capital's duty to obtain best execution;
- Aggregation is consistent with the terms of the investment advisory contract of each participating client; and
- No advisory client will be favored over any other client.

Cryder Capital's policy is to allocate investment opportunities among various clients (including the sequence of placing orders) in a manner believed by the Firm to be fair and equitable to each client over time. The allocation of investment opportunities will never favor any client account to the detriment of another client. In addition, the allocation of investment opportunities will not favor Cryder Capital.

Cryder Capital allocates investment opportunities among its clients (including the sequence of placing orders) in a manner believed by the Firm to be fair and equitable to each client over time.

All allocation objectives and implementation procedures are designed to ensure that all clients receive equitable treatment, ensuring as far as possible that all portfolios with the same mandate look alike. Although Cryder Capital does not expect that it would not be able to fill any orders placed, any partial fills would be allocated pro rata, to the value of orders placed unless resultant allocation is so small to make settlement uneconomic. Separate and pooled accounts are treated alike under this allocation process. Allocations across portfolios are reviewed as part of the compliance monitoring program.

### ***Trade Errors and Trade Error Accounts***

Cryder Capital's goal is to execute trades seamlessly in the manner intended as being in the best interests of the client and consistent with Cryder Capital's investment decision. While errors can occur for a variety of reasons, the consequences and the required corrective measures that are appropriate may differ depending upon the nature of the error or the account affected. Cryder Capital's goals in correcting trading errors are as follows:

- To identify any errors in a timely manner,
- To correct all errors so that any affected account is placed in the same or no worse a position than it would have been had the error not occurred,
- To ensure that all costs associated with correcting an error are borne by Cryder Capital (or another party, if that party is at fault) and are not passed on to the client, and
- To assess what actions are required to prevent a recurrence of the error.

Cryder Capital have a Breaches and Errors Escalation Policy which is adhered to in the event that such an incident occurs. If a trade error were to occur, it is Cryder Capital's policy to make the client account whole. Also, if a client account were to benefit from a trade error, any profits would remain with the account (unless the client instructed otherwise). Any material breach of an investment restriction would be disclosed to the Client.

#### ***Internal Cross Trades***

Internal cross trades are not permitted.

#### ***Foreign Exchange ("FX") Transactions***

For its pooled vehicles and segregated account clients, Cryder Capital instructs the private funds' or client account's prime broker to execute the FX transactions, subject to receiving best execution from the prime broker.

### **ITEM 13: REVIEW OF ACCOUNTS**

Client accounts are monitored regularly based on each client's investment objective and investment guidelines, Cryder Capital's investment policies, and compliance with statutory and regulatory requirements by the Investment Team and Compliance. Client accounts are monitored on a pre- and post-trade basis through the Investment Management Team.

The Investment Management Team also engages in a continuous review of portfolio holdings and the performance of each account.

Clients and investors in the Private Funds will receive monthly flash reports of the investment manager, monthly NAV statements from an independent third party administrator as well as quarterly letters, which include information such as overall performance, performance of specific investments, and investment themes and concerns.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Cryder Capital does not receive any economic benefit from non-clients for investment advisory services.

Cryder Capital may pay, or may require the Private Fund to pay, a portion of the fees to individuals or entities that refer investors to the Private Fund.

In the past Cryder Capital retained an independent consultant, by written agreement, which provided third party marketing services in order to refer clients and investors for the Private Fund. While there are currently no active agreements, its previous placement agent continues to receive a percentage of all fees received by the Firm from such clients for specified periods of time after the first point of investment. This placement agent is paid out of fees received by Cryder Capital; clients/investors do not pay any additional fee in relation to the services that the placement agent provided to the Firm.

Cryder Capital has dealings with investment consultants, both in the consultants' role as adviser for its clients and through independent business relationships. Specifically, the Firm provides consultants with information on portfolios it manages for the Private Fund, at clients' requests.

### **ITEM 15: CUSTODY**

The Private Funds managed by Cryder Capital are held in custody with an independent third party custodian. Cryder Capital does not act as custodian for any asset it manages as a separate account manager. Those clients must make their own arrangements for custody of securities in their account(s). Such custodians may be broker/dealers, banks, trust companies, or other qualified institutions. Qualified custodians will typically provide clients with account statements no less frequently than monthly relating to the assets held within the account managed by Cryder Capital.

Cryder Capital urges clients to carefully review the qualified custodian's statement upon receipt to determine that it completely and accurately states all holdings in their account and all account activity over the relevant period. If a client has any questions, concerns, or notes any discrepancies between the qualified custodian's report and any reports provided by Cryder Capital, the Firm encourages you to contact promptly both Cryder Capital and your qualified custodian. Please note that the information on the statements from Cryder Capital and the statements from your qualified custodian may differ slightly for reasons including but not limited to: the use of different pricing sources, pending trades, the use of trade-date data versus settlement-date data, corporate actions, the payment of dividends, and tax reclaims.

Any questions in this regard can be addressed to Cryder Capital by writing, emailing, or telephoning us using the following contact information:

Cryder Capital Partners LLP  
10 Cork Street  
London  
W1S 3NP  
United Kingdom

Sharon Alice Kelly  
[skelly@crydercapital.com](mailto:skelly@crydercapital.com)  
Telephone: +44 207 907 9254  
[www.crydercapital.com](http://www.crydercapital.com)

As a result of Cryder's relationship to the General Partner of Private Funds, in certain jurisdictions Cryder may be deemed to have custody of the funds and securities owned by Private Fund clients. However, in accordance with the offering documents, the funds (cash) and securities of each Private Fund is held by an independent qualified custodian in the name of the Private Fund. The Funds are audited annually and investors receive annual financial statements by the Funds' respective independent public accounting firm.

## **ITEM 16: INVESTMENT DISCRETION**

For separate account clients, each client delegates investment management discretion to Cryder Capital pursuant to its investment management agreement.

In exercising its judgment in managing client accounts, Cryder Capital takes into account the individual objectives, restrictions and guidelines of each client, as communicated by the client, and other factors deemed relevant by the client and disclosed to Cryder Capital. Generally, to the extent that a client wishes to impose limitations on the management of its account, Cryder Capital will review any such limitations or guidelines provided by a client prior to the inception of the account. To the extent that any such guidelines or limitations are not acceptable, Cryder Capital will work with the client to make appropriate revisions to such documentation in a manner that is mutually acceptable to both parties.

With respect to the Fund, Cryder Capital is appointed as the investment manager on a discretionary basis based on the investment objectives and restrictions as set forth in the Fund's offering document.

Client portfolios with similar investment objectives within the same investment strategy are generally managed similarly with a goal that each such client account would have the same percentage of the portfolio invested in the same securities (subject to differences arising from a variety of factors, including, but not limited to, when the portfolio was opened and cash flows into and out of the portfolio). Investment opportunities are generally allocated to those accounts which Cryder Capital determines, in its sole discretion, to have an investment mandate and profile consistent with the type of security and which Cryder Capital determines, in its sole discretion, should be included in the portfolio. All such allocation decisions are subject to guidelines and restrictions. Other factors considered by the Firm include, but are not limited to, the availability of alternative investments, the extent to which the allocation would represent a meaningful position for the account, the liquidity of the security and the availability of cash to settle the transaction.

## **ITEM 17: VOTING CLIENT SECURITIES**

Cryder Capital has established its Proxy Voting Policies and Procedures in a manner that is generally intended to support the ability of management of a company soliciting proxies to run its business in a responsible and cost effective manner while staying focused on maximizing shareholder value. Accordingly, Cryder Capital generally votes proxies in accordance with management's recommendations. This reflects basic investment criteria that good management is shareholder focused. However, all proxy votes are ultimately cast on a case-by-case basis, taking into account the foregoing principle and all other relevant facts and circumstances at the time of the vote. For this reason, consistent with its fiduciary duty to ensure that proxies are voted in the best interest of clients, Cryder Capital may from time to time vote proxies against management's recommendations, in accordance with the guidelines set forth in its Proxy Voting Policies and Procedures.

Cryder Capital reviews each proxy to assess the extent, if any, to which there may be a material conflict between the interests of clients on the one hand and the Firm's interests on the other hand (a "potential conflict"). Cryder Capital performs this assessment on a proposal-by-proposal basis, and a potential conflict with respect to one proposal in a proxy does not indicate that a potential conflict exists with respect to any other proposal in such proxy. If Cryder Capital determines that a potential conflict may exist, it will promptly report the matter to the Chief Compliance Officer. The Chief Compliance Officer will determine whether a potential conflict exists and is authorized to resolve any such conflict in a manner that is in the collective best interests of clients (excluding any client that may have a potential conflict).

### ***Conflicts of Interest***

If a material conflict should arise between Cryder Capital's interests and those of the clients, it is the Firm's policy to advise the client of such conflict and obtain their consent or instruction as to how to vote.



If you would like a copy of Cryder Capital's Proxy Voting Policy and Procedures or if you would like to review how the Firm voted on a particular security in your account, please contact:

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#### **ITEM 18: FINANCIAL INFORMATION**

Cryder Capital Partners LLP does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.