

MONTERONE PARTNERS

**Monterone Partners LLP
Form ADV Part 2A-Disclosure Brochure
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This brochure provides information about the qualifications and business practices of Monterone Partners LLP ("Monterone" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at 44 203 763 5403 or info@monteronepartners.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 Monterone also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

As this is the initial brochure for the Firm, there are no material changes to discuss.

A copy of our brochure will be provided to any client or prospective client free of charge upon request. If you would like to receive a copy, please contact our Chief Compliance Officer at 44 203 763 5403 or info@monteronepartners.com. Our brochure is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item 4 - Advisory Business

Overview of the Firm

Monterone Partners LLP ("Monterone" or the "Firm") is an investment adviser registered with the SEC under the Investment Advisers Act of 1940 ("Advisers Act") as amended. The Firm is a Limited Liability Partnership established in July 2014 under United Kingdom law. Monterone is based in London, United Kingdom, where it has been authorised and regulated by the U.K. Financial Conduct Authority since April 2015. The Firm registered with the SEC as an investment adviser in July 2017.

The Firm is owned by Markus Taraba via a parent entity, Monterone Partners Ltd.

Advisory Services

Monterone is a long-term, concentrated investment manager focused on Western European listed equities. Monterone seeks to generate attractive returns while minimizing the risk of permanent capital impairment. The Firm's investment approach encompasses in-depth, fundamental research, similar to the due diligence process employed in private equity transactions. Monterone acquires stakes in companies that have sustainably high returns on capital, resilient cash flows and strong growth prospects, but are temporarily trading at a discount to intrinsic value. As a long-term owner, Monterone seeks to have an active dialogue with management and provide constructive input.

Monterone provides advisory services to private funds and managed accounts for institutional clients.

Monterone does not tailor its advisory services to the individual needs of any private fund investor. Each private fund is managed in accordance with the stated investment objectives, strategies, restrictions and guidelines found in the relevant confidential private placement memorandum. Services are tailored to the particular needs of each managed account client. The tailored services typically involve portfolio construction which is more concentrated than the portfolio of the Firm's flagship fund, the Monterone Partners Master Fund Ltd (together with the Monterone Partners Long Short Fund Ltd and the Monterone Partners Long Short Fund LP, the "Fund").

Monterone makes investments for clients in accordance with mutually agreed upon written investment guidelines and provides continuous supervision of client portfolios. Monterone has established procedures and controls to help ensure compliance with each client's investment guidelines and any client-imposed restrictions.

Assets under Management

As of the date of this brochure, Monterone manages approximately \$90 million in discretionary assets. Discretionary assets are those over which we have full authority to make investment decisions.

Item 5 - Fees and Compensation

Monterone charges management fees and performance fees.

Fund management fees are generally payable monthly in arrears and are computed based on the market value of the client's investment portfolio at the end of the billing period. Fees are pro-rated on a daily basis for a portion of any monthly fee period. Each managed account pays a management fee based on the terms set out in the investment management agreement.

Monterone reserves the right to negotiate fees. Some clients pay more or less than others depending on certain factors, including but not limited to, the duration of the lock-up of the account.

Clients pay other expenses in addition to the fees paid to Monterone. For example, clients may pay costs such as brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees and electronic fund fees, and other fees and taxes charged to security transactions which are unrelated to the fees collected by Monterone.

For more information on the Firm's brokerage practices, please refer to Item 12 in this brochure.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-Based Fees

Monterone Partners Fund (GP) Ltd, as affiliate of the Firm, receives performance-based fees for its investment management services to the Fund. A performance-based fee is a fee representing an asset manager's compensation for managing an account that is based upon a percentage of the net profits of the account being managed. When calculating net profits, performance-based fees are subject to a highwater mark. For accounts managed in accordance with the European equities investment strategy, a performance-based fee represents our standard fee arrangement.

Managed account clients pay a performance fee as agreed in the terms of the investment management agreement.

Performance-based fee arrangements may create an incentive for the Firm to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favour higher fee-paying accounts over others in the allocation of investment opportunities. Monterone has adopted policies and procedures to mitigate the inherent conflicts associated with managing accounts for multiple clients. Monterone has adopted trading and allocation policies designed to ensure that its management of accounts is at all times consistent with its fiduciary responsibilities and that no client account is favoured over another. These policies include requirements that all accounts in the same strategy generally be managed the same way, that is, the accounts must have the same portfolio holdings and must be traded at the same time, regardless of the fee arrangement. Accounts are regularly reviewed by Compliance to confirm these policies are followed and that buy and sell opportunities are allocated fairly among client accounts.

Item 7 - Types of Clients

Monterone provides discretionary investment management services to private fund and institutional managed account clients. Although the Firm has the authority to accept subscriptions for a lesser amount, the required minimum investment in the Fund is generally \$500,000.

Minimum initial investment requirements for any managed account vary depending on the agreement with the client and are at Monterone's discretion.

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

The investment objective of the Firm is to preserve capital and generate attractive, risk-adjusted returns over the mid- to long-term. Monterone regards risk as the probability of permanent capital impairment, rather than daily price fluctuations.

Monterone employs its value investing approach to identify long and, when appropriate, short investment opportunities where the prevailing market price differs substantially from the intrinsic value of the business. Monterone regards the purchase of shares as becoming an owner, rather than buying a trading instrument, and this is reflected in the time horizon the Firm typically applies to evaluate business fundamentals and realize value. Monterone's analysis seeks to identify businesses that can generate long-term growth and attractive returns on capital, while the investment thesis typically targets the realization of value over a 2-4 year time period.

Monterone seeks to identify companies with transparent business models that generate predictable cash flows and whose returns and growth are protected by sustainable competitive advantages. In order to evaluate individual investment opportunities, the Firm seeks to perform a level of in-depth research and adopt a mind-set typically employed by private equity investors, who must be comfortable owning businesses for a number of years. This fundamental research-intensive process typically involves comprehensive analysis of historical financial performance, detailed assessment of an industry's competitive dynamics, meetings with management and key customers/suppliers, as well as first-hand inspection of key operations/assets. While the Firm's underlying investments are liquid and positions can be reduced quickly should facts change, the Firm believes detailed knowledge of the companies in which it invests is essential to build confidence in the investment thesis and to monitor ongoing performance.

Monterone is willing to accept volatility due to reasonable portfolio concentration and net long exposure, but seeks to minimize the risk posed by (i) a permanent reduction in the earnings power of its investments, (ii) a purchase price which lacks a margin of safety, or (iii) leverage that could force it to sell investments at an unfavorable time. In the absence of attractive investment opportunities, the Firm is prepared to hold a meaningful cash position.

Long Investments

Commensurate with the expected portfolio structure, the Firm spends the vast majority of its effort to identify, evaluate and track long investments. Generally, its long investment opportunities fall within three broad categories:

1. 'Great businesses at a good price'. In the view of the Firm, a great business exhibits high returns on existing and incremental invested capital, a very strong competitive position and a high level of visibility on growth in free cash flow per share. Management allocates capital to maximize shareholder value and possesses a high degree of integrity. Historically, the opportunities to buy a very attractive business at a good price have arisen either because the market excessively focused on short-term negative news flow or because of broader macroeconomic concerns.

2. 'Under-earning and undervalued businesses'. Monterone also seeks investment opportunities in businesses it believes are under-earning relative to their potential given their competitive positions in the relevant markets. Such businesses should have all the structural characteristics of "great businesses", but have recently experienced a period of operational under-performance. Monterone would typically expect management to have begun implementing the initial steps to improve financial performance. In certain instances, the Firm will seek to engage with management and the supervisory board to accelerate or effect change in corporate strategy should this be required. Due to its detailed understanding of the business, frequent interactions with industry participants and long time horizon, the Firm believes it will be able to influence corporate decisions beyond its economic interest in the share capital.

3. 'Mispriced asset values'. In some cases, the Firm will buy a stake in an asset-backed or conglomerate business where it believes that the intrinsic value is significantly greater than the prevailing market price and that this value is likely to be released through disposals or other forms of corporate action.

Short Investments

Monterone typically seeks to identify short sale investments that offer the opportunity to generate absolute returns. Generally, the Firm's single name short sale opportunities fall within three broad categories:

1. 'Unsustainable business models'. Monterone seeks to identify businesses whose earnings power will be permanently impaired due to a change in regulation, technological obsolescence or an intensifying competitive environment. The targeted companies often are operating in mature markets with limited growth prospects.
2. 'Businesses facing cyclical or structural decline'. Monterone seeks to identify businesses facing cyclical or structural headwinds, which are not reflected in their valuation. Through detailed analysis of a company's value chain, the Firm will sometimes identify deteriorating end demand before it is priced-in by the broader market. Monterone will then seek to position the Fund, either through outright short sales or through derivatives, to benefit from a declining share price.
3. 'Businesses with misleading accounting'. Lastly, if the Firm's analysis indicates that 'aggressive or misleading accounting' practices have been used to mask weak underlying performance of a business, the Firm will seek to benefit from the stock price decline as the market starts to price-in the true underlying fundamentals trends rather than inflated earnings.

Portfolio Construction

Monterone aims to structure the portfolio to maximize outperformance, or Alpha, while maintaining an appropriate level of diversification. Given the very high threshold the Firm places on business quality, management integrity and price paid, only very few stocks qualify for the portfolio as long positions. The Fund will typically hold 10-12 core long positions with a limited number of positions the Firm is either scaling-in or out of. In addition, the Fund may hold single name short positions or other instruments to benefit from declining share prices.

Monterone believes a concentrated portfolio improves returns and also reduces risk as only the most attractive investment opportunities with the greatest margin of safety are included. In addition, the ongoing attention every position receives is greater than in a widely diversified portfolio and as a result, the Firm should be quicker to identify any factors that could have a material impact on the intrinsic value of the investment and act accordingly. Nevertheless, the Firm believes prudent diversification of the portfolio to be consistent with its strategy and will thus seek to make investments that have limited risk factors in common. Occasionally, the Firm may short market indices, purchase put options or credit default swaps in order to reduce market-related downside risk.

Leverage

Gross portfolio leverage (long exposure plus short exposure, divided by NAV) will be determined by the risk/reward profile and the conviction the Firm has in its long and short positions, but will generally fall between 100- 150% of NAV. Monterone aims to control leverage such that a period of increased volatility does not force the Fund to exit positions at inappropriate prices, while also maintaining a certain level of buying power to capitalize on opportunities that may emerge.

Regional Exposure

Monterone expects that generally 70% or more of the Fund's gross exposure will be accounted for by businesses listed in Western Europe. The balance will be made up of investments in other developed markets, predominantly North America.

FX Exposure

Monterone generally uses forward contracts to attempt to hedge against a mismatch of the Fund's reporting currency and individual portfolio investments.

Liquidity

Monterone generally focuses on large and mid-cap companies and aims to avoid holding illiquid investments. The liquidity of the underlying investments is monitored against the liquidity terms of the Fund in order to prevent a mismatch of portfolio liquidity versus Partnership liquidity.

Risk Management

Monterone regards risk primarily in terms of threats to the underlying earnings power of the businesses owned, rather than daily share price fluctuations. This belief is based on the Firm's assessment that the value and ultimate return on any investment will be determined by the cash flows the owner receives from the investment adjusted for time value as well as the initial price paid.

In order to mitigate risk of permanent capital impairment the Firm attempts to invest in strong businesses with a sustainable competitive advantage and predictable cash flows at a significant discount to intrinsic value.

Furthermore, the Firm seeks to ensure an appropriate level of diversification of the Fund, while using leverage conservatively and holding liquid positions.

Monterone maintains an adequate and documented risk management policy that seeks to identify relevant risks to which the Fund is or may be exposed. Monterone's risk management policy includes procedures that are necessary to enable the Firm to assess the Fund's exposure to market, liquidity, counterparty and operational risks as well as all other relevant material risks.

Risk of Loss

Monterone cannot give any guarantee that it will achieve client investment objectives or that a client will receive a return on its investment. It should be noted that investing in securities involves a risk of loss as well as gain, which clients should be prepared to bear. Past performance is not a guide to the future and prices of investments may rise as well as fall. Investors may not get back the full amount invested.

Risk of Loss of Capital

No guarantee or representation is made that a client's investment program will be successful. The investment program will involve, without limitation, risks associated with possible limited diversification, leverage, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the client's activities.

Limited Operating History

The Fund has a limited operating history upon which prospective investors can evaluate the anticipated performance of the Fund. The past performance of the Monterone or its affiliates may not be indicative of the future performance of the Fund or any managed account client.

Dependence on Key Individuals

Investors have no authority to make decisions on behalf of the Fund. The success of the Fund depends upon the ability of key members of Monterone's investment team to develop and implement investment strategies that achieve the Fund's investment objective. If the Fund were to lose the services of these members, the consequence could be material and adverse and could lead to the premature termination of the Fund.

Anchor Investor and Investment

The Fund's Anchor Investment should not be construed as a recommendation to other prospective investors. The Anchor Investor is not responsible for the performance of the Fund, for the content, accuracy or completeness of this Memorandum or any other marketing materials. The Anchor Investor will receive a portion of the Performance Allocation. Due to this arrangement, the Anchor Investor may have access to information not available to other Investors. The Anchor Investor has no obligation to disclose such information to other investors or to use such information for the benefit of the Fund. Due to the size of the Anchor Investment, in the event that the Anchor Investor was to make a substantial redemption, such event may have an adverse effect on the Fund and the remaining investors.

General Market Conditions

The success of a client's activities 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 a client's 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 investments' prices and the liquidity of a client's investments.

Eurozone

Given the nature of the Economic and Monetary Union ("EMU"), it is possible that a member of the EMU may exit the EMU and return to a national currency. It is also possible that the Euro ceases to exist and all of the members of the EMU return to their national currency. The effect of such events on the clients is impossible to predict with certainty but could result in material losses.

Sovereign Default Risk

In certain jurisdictions including Greece, Portugal, Italy, Spain and Ireland, there has been a surge in the cost of insuring against default on sovereign debt based on concerns that government funding costs are becoming unsustainable. Additional economic disruptions in such jurisdictions could lead to increased volatility in equity and other markets and a sovereign default could lead to substantial losses in value in these markets, potentially compounded by currency and foreign exchange conversion restrictions.

Cybersecurity

In addition to natural catastrophes, service/power outages, and network or telecommunication failures, security breaches and intrusion by unauthorized persons could result in damage, disruption, and theft of data, including client information. Cyber-attacks may interfere with the processing or execution of a client's transactions, cause the release of confidential information, including private information about investors, subject the clients and Firm to regulatory fines or financial losses, or cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which the clients may invest. These risks could result in material adverse consequences for such issuers, and may cause the clients' investments in such issuers to lose value.

This list does not purport to be a complete enumeration or explanation of the risks involved in an investment in the clients of Monterone. Investors and clients are advised to carefully review all relevant offering and/or governing documents.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an adviser's or the integrity of the adviser's management.

Monterone has no material legal, regulatory or disciplinary events to disclose. This information has also been submitted as part of Monterone's Form ADV, and can be confirmed at www.adviserinfo.sec.gov.

Item 10 - Other Financial Industry Activities and Affiliations

Monterone and its employees are not registered, nor have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading adviser.

Neither Monterone nor any of its management persons have any other relationship or arrangement that is material to or causes a conflict with the Firm's advisory business or to its clients.

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

Code of Ethics and Fiduciary Duty

Monterone places our fiduciary responsibilities to each client first and foremost in all aspects of our business and has adopted a Code of Ethics (the "Code") that complies with SEC Rule 204A-1 under the Investment Advisers Act of 1940.

The Code sets forth standards of business conduct for the Firm and its employees, and is based on the principle that the Firm has a fiduciary duty to act in the best interests of its clients.

The Code sets forth record keeping requirements and the responsibilities of the Chief Compliance Officer ("CCO") with respect to review of personal securities transactions, personal holdings and trading reports and monitoring compliance with the Code. The Code also outlines policies for sanctioning employees who violate the Code.

Employees must comply with federal securities laws, certify that they have read and understand the Code and report any violations of the Code to the CCO.

The Firm's Code requires all employees to acknowledge that they have read and understand the Code, and reaffirm such acknowledgment at least annually.

Personal Securities

Employees are required to submit to the CCO an initial and annual report listing their reportable securities and a quarterly report of transactions. All personal securities transactions, other than those specifically exempted by the Code, are required to be preapproved by the CCO, or his delegate. Employees are not permitted to transact in securities that are traded in the clients' accounts.

Employees are also subject to restrictions on participating in initial public offerings and private placements and the right of the Firm to require them to disgorge any profits from a transaction deemed, after the event, to conflict with client interests.

Employees are prohibited from trading either in their personal accounts or client accounts on the basis of material non-public information.

Clients and investors may request a copy of the Code by contacting Monterone at the address or telephone number listed on the first page of this document.

Item 12 - Brokerage Practices

Trading

As a fiduciary, Monterone places client's interests first and foremost. The Firm's trading policies and procedures prohibit unfair trading practices and seek to avoid any conflicts of interests or resolve conflicts in the client's favour. We follow written policies and procedures for trade documentation, reporting of trade order status, resolution of trade errors, trade allocation and trade aggregation. All Monterone employees must follow these policies and procedures which are tested by Compliance to ensure their effectiveness.

Brokerage Discretion and Selection

Monterone generally assumes responsibility for selecting brokers and dealers for the execution of securities transactions recommended on behalf of its Fund or managed accounts. The Firm is not affiliated with any broker-dealers and does not execute securities transactions as a principal. Accordingly, the Firm selects unaffiliated third-party broker-dealers to execute all client transactions as permitted by applicable law. The Firm maintains a list of active/approved trading partners (ie counterparties) with whom the Firm may transact. Factors considered when selecting counterparties include experience, execution quality, integrity and operational efficiency.

The Firm may consider the availability and quality of research products and services provided by a broker in selecting which brokers to use in executing client orders. Research services may include information or analysis relating to companies, sectors, countries and other services that may assist the Firm in its investment decision. The Firm ordinarily reviews its active broker list on a periodic basis and assesses each broker on a combination of factors including those listed above. Where issues arise or expectations are not met, the Firm may more frequently review the relationship and the services being provided.

Best Execution

Monterone, as a fiduciary to its advisory clients, endeavours to seek best execution for client transactions, seeking to obtain not necessarily the lowest commission cost but the best overall qualitative execution. When determining best execution on a particular trade, Monterone's considerations include:

- Quality of execution
- Availability and quality of research products and services
- The nature and character of the relevant markets on which the transactions will be executed
- The broker's execution experience, integrity and credit-worthiness
- Operational efficiency

Soft Dollars

Advisers may use commissions "soft dollars" to purchase brokerage and research services without violating their fiduciary duty to obtain best execution for clients; however, the adviser must determine in good faith that commissions are reasonable in relation to the value of the brokerage and research services obtained. Any such arrangements must be consistent with Section 28(e) of the Securities Exchange Act of 1934.

While Monterone does not currently use soft dollars, the Firm is permitted to maintain soft dollar arrangements for certain research and trade execution services. Examples of research services for which Monterone might use client commissions include market publications and commentaries, research and data reports, economic forecasts, research related Bloomberg costs, among others. Under certain circumstances, Monterone could pay a broker-dealer a commission rate that is higher than the commission rate charged by another qualified broker-dealer. In all such cases, the Firm would determine in good faith that the commission is reasonable for the value of brokerage and research services received. Where a product or service obtained with soft dollars provides both research and non-research assistance (*i.e.*, a "mixed use" item), the Firm would make a good faith allocation of the cost which may be paid for with soft dollars.

If the Firm chooses to use soft dollars in the future, the CCO will review and approve the arrangement.

Trade Allocation

Monterone endeavours to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities among its clients. When the Firm determines that it would be appropriate and feasible for more than one client to participate in an investment opportunity, the Firm may place combined orders for all such clients simultaneously and, if the order is not filled at the same price, the Firm will average the prices paid over a particular trading day or such longer period consistent with the accumulation or disposition of a particular position. Similarly, if an order is placed on behalf of more than one client and the order cannot be fully executed under prevailing market conditions, the Firm may allocate the trade among different clients on a basis that the Firm deems equitable and in accordance with the allocation policy.

The Firm anticipates that the substantial majority of its trade executions will be allocated between clients in a pro-rata manner. Where the Firm determines that a pro rata allocation may not be in a client's best interest *e.g.* due to investment restrictions or the best interests of all clients, the Firm may, in its reasonable discretion, make an adjustment to the pro-rata allocation.

Block Trading of Client Orders

Monterone believes that blocking (aggregation) of client orders is prudent and necessary in order to fulfil Monterone's fiduciary duty to obtain the most favourable terms for each client. When aggregating client orders, management's considerations include but are not limited to the following:

- No advisory account is favoured over any other account. Clients participating in an aggregated order shall receive an average share price with other transaction costs shared on a pro-rata basis;
- The Firm does not aggregate transactions unless block trading is consistent with the Firm's duty to seek best execution and the terms of the Firm's investment management agreement with each client for which trades are being aggregated;
- Before placing a blocked trade, the Portfolio Manager specifies the participating client accounts and the intended allocation among those client;
- If the aggregated order is filled in its entirety, it is allocated among clients in accordance with the terms of the order; if the order is partially filled, it is allocated on a pro-rata basis within the same terms of the order;
- The Firm's books and records separately reflect the orders for each client account that are aggregated, as well as the securities bought and sold for and held by that account; and
- The Firm receives no additional compensation of any kind as a result of the proposed aggregation.

Item 13 - Review of Accounts

Account Reviews

Account reviews are performed daily by the Portfolio Manager or a designee. Additional reviews are triggered by various factors including portfolio model changes, changes in client investment objectives, account deposits and withdrawals, volatile markets or notification from the operations team that the price target for individual securities has been reached. Among other things, reviewers evaluate the composition of the portfolios relative to the benchmark and review numerous risk statistics.

Monterone also performs reconciliations of its records of the securities and cash within its clients' accounts against the records of the custodians who actually hold the securities and cash. These reconciliations are performed by Monterone's operations personnel. At a minimum, positions and cash are reconciled on a monthly basis. To the extent any discrepancies are identified through the performance of these reconciliations, our operations personnel work with both our internal team and the custodian to resolve any such discrepancies. The statements and records of the custodian are the official books and records for the account.

Client Reporting

Monterone generally provide clients with reports not less frequently than quarterly and delivers audited financials to all investors in the Fund annually. Quarterly client reports include a portfolio appraisal, reconciliation against custodian, and performance returns. Additional or different information may be provided to clients as agreed by Monterone and the client.

We urge clients to carefully review these reports and compare them to the statements that they receive from the Fund Administrator or account custodian. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 14 - Client Referrals and Other Compensation

Monterone does not compensate any party directly or indirectly for client referrals.

Item 15 – Custody

Monterone does not act as a qualified custodian for clients or hold any assets, but under SEC Rule 206(4)-2, is deemed as having custody of certain client assets. The Firm complies with the custody rule by maintaining all assets physically at third-party financial institutions, such as custodians and prime brokers, and the Fund is subject to an annual audit by an independent audit firm. The audited financial statements will be distributed to each investor within 120 days of each Fund's fiscal year end.

Item 16 – Investment Discretion

At the outset of the advisory relationship, Monterone requires clients to execute and deliver limited powers of attorney authorizing the Firm to act on behalf of the client, in such form as may be required by various brokerage firms, banks etc. Monterone obtains discretionary investment authority from the client through the execution of an 'investment management agreement' at the outset of the advisory relationship. Discretion is exercised in a manner consistent with stated investment objectives for the particular client account pursuant to the fiduciary duty and standard of care that we must discharge.

Investment guidelines and restrictions must be provided to Monterone in writing. Throughout the portfolio management process, Monterone observes the investment policies and limitations imposed by each client.

Item 17 - Voting Client Securities

The Firm considers it to be of paramount importance when assessing proxy voting responsibilities on behalf of its clients to recognize the fiduciary responsibility it assumes in acting as investment adviser. The Firm also recognizes the need to exercise its proxy voting obligations with a view of enhancing its clients' long term investment values. To help achieve its objectives, it is Monterone's policy, subject to the considerations described below, to use its best efforts to vote proxies arising on all shares held on behalf of its clients.

There may be times in which conflicts may arise between the interest of the client and the interest of the Firm. The Firm will always strive to address such conflicts in the best interests of the client. If a perceived material conflict of interest arises in connection with a proxy vote, Monterone may resolve such perceived material conflicts of interest as follows:

- The Firm may delegate the voting decision for such proxy proposal to an independent third party;
- The Firm may delegate the voting decision to an independent committee of partners, members, directors or other representatives of the client, as applicable;
- The Firm may inform the investors or account of the conflict of interest and obtain consent to (majority consent, in the case of a fund) vote the proxy as recommended by the Firm; or
- The Firm may obtain approval of the decision from Monterone's CCO

The Firm does not take positions outside of the portfolios it manages and therefore does not anticipate a situation where there would be a conflict between maximizing long-term investment returns for clients and the interests of the Firm.

Upon request, Monterone will provide clients and investors with a copy of the proxy voting policies and a record of all proxy votes cast on behalf of the relevant client.

Item 18 – Financial Information

Monterone has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Privacy Notice

Monterone Partners LLP is committed to maintaining the confidentiality, integrity, and security of our current and prospective clients' non-public personal information and adheres to high standards in order to safeguard such information. As part of this commitment, we have adopted the following privacy policy concerning the collection, disclosure, maintenance and disposal of our clients' non-public personal information.

Collection of Information

As your investment adviser, Monterone collects non-public information from you such as:

- Information we receive from you or in applications or other forms, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, date of birth, annual income, net worth, and investment history.
- Information about your transactions with us or others, including but not limited to your account number and balance, payment history, parties to transactions, cost basis information, and other financial information.

Disclosure of Information

We will not disclose non-public personal information about you to anyone, except as necessary to carry out transactions you have requested or authorized in connection with our provision of services to you, as required by law, or with your express consent. We may, however, disclose information about you to the following types of non-affiliated third parties:

- Authorized securities brokers, financial institutions or custodians;
- Persons acting in a fiduciary or representative capacity on your behalf;
- Attorneys, accountants, and consultants;
- Law enforcement agencies or computer security providers for the purpose of protecting against fraud and unauthorized transactions or in order to maintain the confidentiality of our records; or
- Government agencies, self-regulatory organizations, industry associations and similar bodies in order to fulfil requests, investigations, legal and regulatory requirements.