

Aldea Capital Management, LLC
(“*Aldea*”)

FORM ADV, PART 2A
(the “*Brochure*”)

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This Brochure provides information about the qualifications and business practices of Aldea. If you have any questions about the contents of this brochure, please contact Mina Pacheco Nazemi at (203) 252-1945 or mina@aldeacap.com. 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 Aldea also is available on the SEC’s website at www.adviserinfo.sec.gov.

This Brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of applicable offering documents that contain a description of the material terms relating to such investments, products or services.

ITEM 2: MATERIAL CHANGES

Since this is the initial version of the Brochure, there are no material changes to report in response to this item. In connection with the annual updating amendment to the Brochure, we will include a summary of any material changes made to the Brochure since the date of this initial filing in response to this item.

The information set forth in this Brochure is qualified in its entirety by the applicable governing and offering documents, as applicable, for any fund or account. In the event of a conflict between the information set forth in this Brochure and the information in the applicable offering or governing documents, such documents will control. We encourage all clients and investors to review this Brochure in its entirety.

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ITEM 4: ADVISORY BUSINESS

Firm Overview

Aldea is a Delaware limited liability company and investment adviser established in 2016. Aldea provides investment management and advisory services in the private equity asset class. Aldea provides investment management and advisory services in the private equity asset class, which includes buyouts, growth capital, credit, special situations and venture capital.

Principal Owners

Aldea is 100% owned by its principals. Mina Pacheco Nazemi, the founder of Aldea, is the principal owner of Aldea with a controlling stake. For more information regarding the ownership of Aldea, please see Schedules A and B of Part 1 of Form ADV.

Types of Advisory Services

Discretionary Management

Aldea will provide discretionary services to institutional investors and may manage or advise customized and commingled investment vehicles which can be organized as limited partnerships, limited liability companies, trusts, corporations or similar entities (“**Private Funds**”). These Private Funds may be established for a single investor or could be structured for multiple investors.

These vehicles may pursue their investment objectives by investing in:

1. Other Private Funds – pooled investment vehicles which themselves purchase securities, including other private funds, or other assets and are managed by third-party investment managers (“**Investment Managers**”)
2. Direct and Co-investments – securities or other assets in companies that are identified by Investment Managers (“**Portfolio Companies**”).

Non-Discretionary Advisory Services

Aldea may provide non-discretionary advisory services including monitoring of private equity markets and private equity investments for institutional and high-net worth individual clients. Aldea may also provide non-discretionary advisory services with respect to investments that include both Private Funds and direct and co-investments in Portfolio Companies.

Monitoring

Aldea may monitor client investments in private equity which are held either directly by the client or as an investment of a vehicle managed by Aldea. Monitoring services may include, but are not limited to, portfolio tracking and monitoring, database development, performance data analysis, portfolio analysis, review of amendments to governing documents, general research and education.

Investment Mandates

Private Funds and other client portfolios managed by Aldea are generally managed in accordance with the investment objectives, strategies and guidelines set forth in the applicable confidential offering memorandum, organizational and governing documents, investment management agreements, advisory agreements and/or other related documents (collectively, the “**Governing Documents**”). Aldea provides or

will provide investment advice to its advisory clients in accordance with the investment objectives, strategies, guidelines, restrictions and limitations described in the applicable Governing Documents, and the information in this Brochure is qualified in its entirety by the information set forth in such documents. Investors generally are not permitted to impose restrictions or limitations on the management of the Private Funds managed by Aldea.

Aldea or an affiliate thereof may enter into side letter agreements or arrangements with one or more investors in the Private Funds (or other clients) it manages that have the effect of establishing rights under, or altering, modifying, waiving or supplementing the terms of, the Governing Documents of the applicable Private Fund in respect of such investors. Among other things, these agreements entitle or may entitle an investor in a Private Fund or other client to lower fees, information or transparency rights, most favored nations' status, notification rights or other preferential rights and terms. Information about each Private Fund and other advisory clients is set forth in their Governing Documents, which, with respect to Private Funds, are available to current and eligible prospective investors through Aldea.

Aldea tailors its non-discretionary advisory services to the specific investment objectives, strategies, guidelines, restrictions and limitations of each mandate, as set forth in each client's respective Governing Documents as well as information learned through ongoing discussions with each client.

Wrap Fee Programs

Aldea does not participate in or sponsor wrap fee programs.

Regulatory Assets under Management

As of the date of this filing, Aldea did not have any assets under management but anticipates having at least \$100 million under management within 120 days of its registration with the SEC.

ITEM 5: FEES AND COMPENSATION

Aldea does not have a standard fee schedule. Private Fund Fees are established in the Governing Documents for each fund. Fees and compensation for other clients are negotiated with each client and are specified in the partnership agreement, consulting agreement or other Governing Document with the client.

Fees may differ across the Private Funds and other client accounts managed or advised by Aldea. Such variability may be driven by the size of the total mandate (assets under advisement or assets under management), investment strategy and investment horizon among other factors.

Discretionary management, advisory and monitoring fees can be structured based on one or a combination of the following:

1. A percentage of up to 2%, of assets, investment value, commitments, remaining invested capital or remaining adjusted invested capital;
2. A negotiated fixed or hourly fee; and/or
3. Performance-based fees subject to various hurdles or preferred returns (also known as "carry" or "carried interest").

Transaction Fees – Unless otherwise specified in partnership agreements or other Governing Documents, any transaction fees that are received by Aldea will generally either be rebated to the client or investor as an offset against Aldea's management fee.

In addition to management fees and carried interest paid to Aldea or an affiliate, to the extent a client or

Private Fund invests in other Private Funds, such fund will generally pay management fees and carried interest to the manager or general partner of such fund. Each Private Fund will also typically pay its organizational, initial offering costs and such other costs and expenses as are necessary and negotiated with the client (“Fund Expenses”). All fees, costs and expenses and the reimbursement of those expenses will be explicitly disclosed in partnership agreements, advisory agreements or other Governing Documents of the Private Fund. As such Private Funds are established this Brochure may be amended as necessary to reflect fees, costs and expenses to be borne by Private Funds. Potential expenses include but are not limited to the following:

1. Investment Related Expenses: due diligence costs, travel and entertainment associated with investment related activities, monitoring costs, investment banking fees, sourcing or finder’s fees and other costs related to the identification, sourcing or execution of transactions—including expenses related to potential transactions that are not ultimately consummated (i.e., broken deal expenses)
2. Monitoring and Reported Related Expenses: expenses associated with monitoring and reporting to clients including but not limited to accounting, custodian, audit, tax preparation, administration and valuation
3. Legal Related Expenses: legal expenses related to the investments or the fund vehicle
4. Miscellaneous: tax expenses, brokerage expenses, consulting and other professional fees and expenses, and other costs related to investment activities, expenses related to a borrowing facility

Private Fund fees are paid pursuant to the schedule and terms set forth in each fund’s Governing Documents, generally quarterly in advance or in arrears. Private Fund investors generally are charged for Fund Expenses either through a capital call, or other amounts available for distribution. Asset based and flat advisory fees for other clients are typically payable quarterly, either in advance or in arrears as negotiated with the client. Aldea generally sends an invoice to clients quarterly for fees due but may, under certain conditions, deduct fees from client accounts.

Termination Policy

A client may terminate the advisory relationship or the investment management agreement as provided for in such Governing Documents. Generally, a client will be able to terminate its investment management agreement with Aldea for cause and, in certain limited instances, without cause. In the case of termination, fees will be adjusted pro rata based on the number of days of service provided, unless otherwise agreed to with the client. In certain instances, a termination fee may be payable and would be pre-determined and disclosed in the partnership agreement, advisory agreement or other Governing Document.

Waiver or Reduction of Fees

Subject to the terms of the applicable Governing Documents of any Private Fund, Aldea or an affiliate may waive or reduce management fees or carried interest distributions for certain investors or classes of investors in its discretion. Additionally, Aldea, its affiliates and employees generally are not subject to management fees or carried interest.

Compensation for the Sale of Securities or Other Investment Products

Neither Aldea nor any of its supervised persons accept compensation for the sale of securities or other investment products including asset based sales charges or service fees from the sale of securities or other investment products.

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

As noted under Item 5 above, Aldea and/or its affiliates generally may be entitled to receive performance fees, carried interest distributions or other incentive-based compensation with respect to advisory clients (subject to the terms and conditions set forth in the applicable Governing Documents). Aldea's receipt of performance-based fees raises certain conflicts of interest, which are described below.

Investment Selection. Carried interest distributions and other performance-based compensation could motivate Aldea and its affiliates to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the carried interest may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions.

Aldea generally attempts to mitigate conflicts of interest associated with carried interest distributions through one or more of the following: (i) the payment of performance fees or carried interest on realized profits only; (ii) the requirement that invested capital, a preferred return or hurdle rate and expenses be returned to investors before an affiliate is entitled to receive any carried interest distributions; (iii) the requirement that Aldea and/or its affiliates have a capital commitment to the applicable Private Fund(s) managed by Aldea; and (iv) a potential clawback obligation of Aldea or an affiliate upon liquidation of the applicable Private Fund or other client (and related escrow account, if applicable).

Side-by-Side Management. Different Aldea-managed Private Funds or other advisory clients may have different performance-based fee arrangements. Such differences could incent Aldea to favor one client over another in its investment allocations or manipulate the sequence of dispositions. Aldea believes that these potential conflicts of interest are mitigated to a certain extent by its investment allocation policies. Moreover, these potential conflicts are also mitigated to a certain extent by the fact that Aldea-related persons will generally invest alongside its investors in Private Fund(s) to be established and thus have a shared interest with investors in maximizing other investor returns.

Certain of Aldea's employees, agents and affiliates may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflicts. Aldea attempts to address known material conflicts of interest through full and fair disclosure in applicable Governing Documents and this Brochure.

ITEM 7: TYPES OF CLIENTS

Aldea's potential clients and fund investors include, but are not limited to:

- Public pension plans
- Corporate pension plans
- Endowments
- Foundations
- Financial service companies or banks
- Charitable organizations
- High net worth individuals
- Taft-Hartley plans
- Insurance companies
- Sovereign wealth plans
- Corporations
- Governments or government agencies
- Family offices

Investors in Private Funds will primarily consist of institutional investors and high net worth individuals and related investment entities that are “accredited investors,” as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and “qualified purchasers” as such term is defined in Section 2(a)(51)(A) of the Investment Company Act (or knowledgeable employees of Aldea).

The Aldea-managed Private Funds will generally have a specified minimum investment amount as set forth in the applicable Governing Documents. This minimum investment is subject to reduction or waiver in Aldea’s discretion, and Aldea or its affiliates may permit investments of a smaller amount generally or with respect to any investor.

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

Following is a summary of the investment strategies and material risks that may be associated with the investment activities applicable to one or more of Aldea’s discretionary and non-discretionary clients. Investors and potential investors in Private Funds established by Aldea are encouraged to review the applicable Governing Documents for the fund in which they are considering investing for a more comprehensive discussion of the investment program and material risks that may be associated with investing in that fund.

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Aldea provides investment management and advisory services in the private equity asset class which includes buyouts, growth capital, credit, special situations and venture.

The objective of Aldea client portfolios is to achieve superior risk-adjusted returns by investing in private equity funds (“***Fund Investments***”) and direct investments in next generation opportunities identified by Aldea (“***Direct Investments***” and, together with Fund Investments, “***Portfolio Investments***”). Aldea anticipates that Direct Investments will include both co-investments with private equity funds, including with non-Aldea backed-managers and other investors, and direct investments sourced by third-parties unaffiliated with Aldea or any Fund Investment.

All investments made or recommended by Aldea for its discretionary and non-discretionary clients will go through a complete due diligence process. The following is an overview of the general investment process:

Sourcing – It is the responsibility of all members of the Aldea team to source and identify investment opportunities for our clients and investors. Aldea has an “open door” policy which allows for investment opportunities sourced by all team members to be evaluated by Aldea. Our open door is designed to ensure that individual biases do not limit an investment opportunity to be considered for any client portfolio. It is in the best interest of our clients for Aldea to evaluate all opportunities to ensure that only what we consider the best in class investments with the appropriate risk/return profile are recommended for their portfolios.

Preliminary Investment Due Diligence – All investment opportunities will go through a preliminary screening process which will be led by a senior member of Aldea’s investment team. Investments will be screened for potential investment fit for existing clients and will be evaluated for investment merits and risks. If an investment opportunity passes the preliminary screening, then the investment will proceed to comprehensive due diligence.

Comprehensive Investment Due Diligence – At this stage of the investment process, the Aldea investment team will evaluate the investment merits but equally important will fully evaluate the potential risks of the investment. Aldea’s comprehensive due diligence process will include, but will not be limited to, onsite management meetings, reference calls, additional separate analysis and due diligence, and consultation with

third-party experts, when appropriate. All material risks will be researched and evaluated in a rigorous manner, and the Aldea investment team will be required to identify how to mitigate such investment risks.

Aldea's investment team will dedicate significant time and resources to independently verify whether proposed investments and information presented are, respectively, as presented and accurate. If the Aldea investment team finds that the investment merits outweigh the investment risks, then the Aldea investment team member(s) who conducted due diligence on the investment opportunity will present it to the Aldea investment committee. The investment committee is comprised of the senior founding members of Aldea and requires a unanimous vote to proceed with any given investment opportunity.

For private equity fund investment opportunities, the following are the key areas that will be considered:

1. Client Fit: Assess whether the investment opportunity is consistent with the investment objectives, investment criteria and general investment profile of the client.
2. Quality of Investment Team and Investment Experience: Assess whether the fund's investment team has the experience, capability and bandwidth to execute on the investment strategy presented by the fund.
3. Performance/Track Record of Investment Team: Assess whether the track record of the fund's investment team is attributable to the investment team and whether performance is strong enough to consider an investment. Track records will be benchmarked with appropriate and relevant benchmarks.
4. Investment Strategy of the Fund: Review the investment strategy of the fund and determine whether the investment strategy is likely to outperform given the current and current and expected future market environment.
5. Competitive Landscape: Aldea will perform a thorough review of competing firms to ensure that the fund being considered is best in class from a team, strategy and performance perspective.
6. Key Terms: The fund's key terms will be evaluated to ensure that they are in line with the market. Aldea may seek to negotiate preferred terms and reduced carried interest and management fees whenever appropriate.
7. Back Office/Operations: Aldea will review the back office and operations of the manager and ensure that the appropriate policies, procedures, and systems are in place to adequately report the performance of their fund to investors. Aldea will also review the manager's compliance processes and procedures.

For both private equity direct or co-investment opportunities, the following are the key areas that will be considered:

1. Sponsor of Direct or Co-Investment: Aldea will ensure that the sponsor of the investment has the experience and track record to transact on the investment opportunity. The sponsor needs to demonstrate its unique ability to manage the investment and to create economic value.
2. Quality of Management Team: Aldea will dedicate time and resources to evaluate the quality of the management team. Aldea will focus on the experience of the management team and their ability to lead the company throughout the investment period. Aldea will also conduct background checks on key members of the management team.
3. Industry Dynamics and Competitive Dynamics: Aldea will perform a comprehensive review of the company's operations and ensure that the company is well positioned to compete within its respective industry. Aldea may retain industry experts or conduct reference calls to develop a deeper view of the industry or sector.

4. **Financial Performance and Operating Metrics:** Aldea will perform a comprehensive review of the company's financial and operational metrics to understand the company's current state and evaluate whether there are any potential financial or operational risks in the business. Aldea will evaluate the company's growth profile, product and/or service mix, operating and cash flow margins, capital expenditures, working capital, debt structure, and other liabilities, including off balance sheet liabilities.
5. **Valuation:** Aldea will perform a valuation analysis to determine the fair market price of the company and to determine whether the valuation is appropriate. Aldea will utilize different methods to evaluate the valuation of the company including public comparables, discounted cash flows and private company comparables.
6. **Value Creation Opportunity:** Aldea will evaluate the investment thesis of the opportunity and determine whether the proposed value creation opportunity being presented by the sponsor and management team is realistic and attainable given the company's positioning, its absolute and relative strengths and weaknesses, and the current and expected future market dynamics.
7. **Financial Modelling:** Aldea will develop its own financial model with appropriate sensitivities to evaluate the potential investment. Aldea will develop its own projections for the company by taking into consideration the historic performance of the company and current and expected future industry dynamics. The Aldea financial model will also project potential investment returns given different economic scenarios.
8. **Review of Legal, Environmental and Regulatory Risks:** Aldea will perform a comprehensive review of the company to determine whether there are any material legal, environmental or regulatory risks to consider.
9. Aldea will also review:
 - a. The sponsor's 100-day post-acquisition business plans;
 - b. All third-party consulting reports;
 - c. Customer base and supplier base;
 - d. Capital expenditures; and,
 - e. Sponsor's exit strategy options.

The investment strategies summarized above are not intended to be comprehensive. For more information regarding the investment strategies applicable to each client of Aldea, please see the applicable Governing Documents of such client.

CERTAIN RISK FACTORS

There can be no assurance that investors in the Private Funds established by Aldea or other client accounts managed or advised by Aldea will achieve their investment objectives or that investments will be profitable. Aldea's investment strategies involve or may involve a substantial degree of risk, including risk of complete loss. Nothing in this Brochure is intended to imply, and no one is or will be authorized to represent, that the investment strategies of the Aldea client accounts, including Private Funds established by Aldea, are low risk or risk free. These investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. Prospective clients and investors should consider the following risks, among others, before making any investment decisions. The various risks outlined below are not the only risks associated with the investment strategies and processes of Aldea and will not necessarily apply to each client or investor. Private Fund Investors are urged to consult with their own independent financial, legal and tax advisors before making any investment decisions. The following risks are qualified in their entirety by the risks set forth in the applicable Governing Documents.

Investment Risks

Aldea's investment activities involve a significant degree of risk. There can be no assurance that a client's investment objectives will be met or that a client or investor will receive a return of its capital. Accordingly, an investment with Aldea should only be considered by persons who can afford a loss of their entire investment. The private equity investments made by Aldea involve a number of material risks including (but not limited to) the following:

General Economic Conditions

The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of equity prices, interest rates and the extent and timing of investor participation in the markets for both equity and interest rate-sensitive securities. Unexpected volatility, illiquidity, governmental action, currency devaluation or other events in the U.S. or global markets in which a client may directly or indirectly hold positions could impair a client's ability to carry out its business and could cause such client to incur substantial losses.

Investment Due Diligence and Investment Research

When conducting due diligence and investment research, Aldea may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence and investment research process in varying degrees depending on the type of investment. When conducting due diligence and investment research and making an assessment regarding an investment, Aldea may rely on information provided by such persons, or by the management or shareholders of the target of the investment or their advisors. The due diligence investigation and investment research that Aldea carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity, may lead to inaccurate or incomplete conclusions, or may be manipulated by fraud. Moreover, such an investigation and research will not necessarily result in the investment being successful.

Long-Term Nature of Investments

The holding period for the investments by Aldea client portfolios will typically be a number of years. Thus, there may be a number of years when there is limited or no income from such portfolios. Income may not be expected to be significant, and operating expenses may exceed income during certain periods.

Lack of Liquidity of Investments

Aldea client portfolios generally will invest in private companies and Private Funds, the shares of which are not publicly traded. Unless a Private Fund or Portfolio Company subsequently succeeds in obtaining approval from the relevant authorities to list its shares on a recognized exchange, this avenue to liquidity will not be available to client portfolios, which must then rely on other means to achieve liquidity. In addition, client portfolios may be precluded from selling their shares in a public Portfolio Company for some time after such portfolio company's initial public offering. Further, other legal, contractual or practical limitations may limit the ability to sell private equity investments. For example, the issuers may be privately held, Aldea client accounts may own a relatively large percentage of the issuer's outstanding securities or may have agreed to contractual restrictions on resale, or other investors, financial institutions or management may be relying on the Aldea client accounts' continued investment. Sales also may be limited by financial market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular markets. These limitations on liquidity of private equity investments could prevent a successful sale or result in the delay of any sale or reduction in the amount of proceeds that might otherwise be realized.

In addition, in some cases, Aldea client accounts may be prohibited or limited by contract from selling certain portfolio investments for a period of time, and as a result, may not be permitted to sell an investment

at a time it might otherwise desire to do so. Aldea client accounts may have access to non-public information regarding certain portfolio investments, the possession of which also could limit the Aldea client accounts' ability to sell such investments. Investment in accounts managed by Aldea requires the ability and the willingness to accept such lack of liquidity as well as a high degree of risk. The securities in which Aldea client accounts will invest may be among the most junior in a Portfolio Company's structure, and thus subject to the greatest risk of loss.

Limited Number of Investments

Aldea client accounts generally participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the accounts may be substantially adversely affected by the unfavorable performance of even a single portfolio investment. Although Aldea intends to have some diversification in client portfolios, the ability of Aldea to satisfactorily achieve this objective could adversely affect the performance of client accounts.

Availability of Suitable Investments

While Aldea believes that there are currently available attractive investments of the type in which Aldea client portfolios may invest, there can be no assurance that such investments will continue to be available for Aldea client portfolios' investment activities, or that available investments will meet Aldea's investment criteria. Aldea client portfolios will encounter competition from other persons or entities with similar investment objectives. These competitors may include other investment partnerships, corporations, business development companies, leveraged buyout entities, small business investment companies and individual investors. Certain of the Aldea's competitors may have greater financial and other resources and may have better access to suitable investment opportunities. Whether or not suitable investment opportunities are available to Aldea client accounts, Aldea client accounts will bear the management fees and other expenses described herein.

Investments Longer than Term

An Aldea client account may make investments that may not be advantageously disposed of prior to the date the Aldea client account is required to be dissolved. Although Aldea expects that each investment will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, an Aldea client account may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Unspecified Portfolio Investments

Aldea has not yet identified the investments in which it will invest its client portfolios. Accordingly, clients and investors may be asked to commit their money without substantial knowledge of the identity of the investments that will comprise each Aldea portfolio. Investors will be relying entirely on the ability of Aldea to select appropriate investments for its client portfolios. Investors will not have the opportunity to evaluate individually the relevant economic, financial or other information utilized by Aldea to decide whether to make a particular investment. In addition, there may be a significant period of time before all of the proceeds of an investor's investment are invested.

Minority Investments

Aldea may make minority investments or may make investments with the intent of obtaining control rights but be unsuccessful in obtaining the level of control desired. In these situations, there is the possibility that the company in which Aldea invests or other investors in such company may have economic or business interests or goals that are inconsistent with those of Aldea, and Aldea may have a limited ability to protect or influence the value of or exit the investments in the entity.

Control Investments

Aldea and its client accounts may be lead, control or significant investors in the companies in which they invest. Aldea may not, however, have the right to participate in the day-to-day management, control or

operations of the companies in which the Aldea invests, nor may Aldea have the right to remove the managers thereof. Nonetheless, Aldea (alone, or together with other investors) may be deemed to have a control position with respect to companies in which the its client portfolios invest, which could expose the client portfolios to liabilities not normally associated with minority equity investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

Reliance on Management Teams

There can be no assurance that the management team of a Private Fund or Portfolio Company will be able to operate such company successfully. Although Aldea will monitor the performance of each portfolio investment, it will be primarily the responsibility of the fund or company's management to operate the fund or business on a day-to-day basis.

Leverage of Portfolio Investments

Aldea's client portfolios may invest in Private Funds that utilize leverage or Portfolio Companies with leveraged capital structures. Use of leverage may increase the exposure to adverse economic factors such as significantly rising interest rates, downturns in the economy or deterioration in the condition of any given Private Funds, Portfolio Company or its industry. In the event a Private Funds or Portfolio Company is unable to generate sufficient cash flow to meet principal and interest payments on its third-party indebtedness, the value of Aldea clients' investment in such company could be significantly reduced or even eliminated.

Equity Investments

Equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which Aldea client accounts may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize). Equity prices are directly affected by issuer specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self regulatory scrutiny as compared to investing in debt or other financial instruments.

Private Equity Investments

Private equity investments involve risks associated with investment in companies in an early stage of development or with little or no operating history, companies operating at a loss or with substantial variation in operating results from period to period, companies with the need for substantial additional capital to support expansion or to maintain a competitive position, or companies with significant financial leverage. These companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and stronger management teams. There is no assurance that the companies in which the Aldea client portfolios invest will be able to successfully implement any growth plans or hire and retain successful management teams. Also, Portfolio Companies may be highly leveraged and, as a consequence, subject to restrictive financial and operating covenants. The leverage may impair the ability of these companies to finance their future operations and capital needs. As a result, these companies may lack the flexibility to respond to changing business and economic conditions, or to take advantage of business opportunities.

Bridge Financings

Aldea client accounts may make loans to Portfolio Companies on a short-term, unsecured basis in anticipation of the closing of a contemplated permanent investment transaction. It is possible, for reasons not always in Aldea's control, that the subsequent permanent investment transaction never occurs and such

bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured loan.

Need for Follow-on Investments

Following its initial investment in a Portfolio Company, such Portfolio Company may require additional funding, and Aldea may have the opportunity to increase its investment in such Portfolio Company. There can be no assurance that the Aldea will make, or will have the resources to make, follow-on investments. Any decision by Aldea not to make follow-on investments, or its inability to make them, may have a substantial adverse effect on a Portfolio Company in need of such an investment, may result in a missed opportunity for Aldea client accounts to increase its participation in a successful enterprise, may result in significant dilution of any existing Portfolio Company investment, or may cause a decrease in the value of Aldea clients' portfolios.

Investing in Underperforming Companies

Investing in underperforming companies involve a high degree of business and financial risk that can result in substantial or total losses. These risks include investing in companies operating at a loss and investing in companies with the need for substantial additional capital. Portfolio Companies in which Aldea client portfolios invest may be highly leveraged and, as a consequence, subject to restrictive financial and operating covenants. The leverage may impair the ability of these companies to finance their future operations and capital needs. As a result, these companies may lack the flexibility to respond to changing business and economic conditions, or to take advantage of business opportunities.

Distressed Securities

Investment in the securities of financially troubled issuers and operationally troubled issuers involves a high degree of credit and market risk. Aldea may invest in select companies that, in the view of Aldea, have the potential over the long-term for capital growth. There can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility that the Aldea client portfolios may incur substantial or total losses on its investments or that such investments may not show any return for a considerable period of time. Under such circumstances, the returns generated from the Aldea client portfolio investments may not compensate investors adequately for the risks assumed. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There can be no assurance that Aldea will correctly evaluate the value of a company's assets or the prospects for a successful reorganization or similar action. During an economic downturn or recession, securities of financially troubled or operationally troubled issuers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about financially troubled issuers and operationally troubled issuers.

Securities of financially troubled issuers and operationally troubled issuers are more volatile than securities of companies not experiencing financial difficulties. The market prices of such securities are subject to erratic and abrupt market movements, and the spread between bid and asked prices may be greater than normally expected. In addition, it is anticipated that most of the Aldea portfolio investments may not be widely traded and that Aldea client portfolios' investments in such securities may be substantial relative to the market for such securities. As a result, Aldea client portfolios may experience delays and incur losses and other costs in connection with the sale of its portfolio securities.

Defaulted Securities

Aldea client portfolios may invest in the securities of companies involved in bankruptcy proceedings, reorganizations and financial restructurings and may have a more active participation in the affairs of the issuer than is generally assumed by an investor. This may subject Aldea client accounts to litigation risks or prevent Aldea client accounts from disposing of securities. In a bankruptcy or other proceeding, Aldea client accounts as creditors may be unable to enforce their rights in any collateral or may have its security

interest in any collateral challenged, disallowed or subordinated to the claims of other creditors. While Aldea will attempt to avoid taking the types of actions that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that Aldea will be able to successfully defend against them. Because other investors may purchase the securities of these companies for the purpose of exercising control or management, Aldea client accounts may be at a disadvantage to the extent that Aldea clients' interests differ from the interests of these other investors. Bankruptcy proceedings are often lengthy and difficult to predict and could adversely impact a creditor's return on investment. Administrative costs relating to a bankruptcy proceeding will be paid out of the debtor's estate prior to any returns to creditors. Also, certain claims, such as for taxes, may have priority by law over the claims of certain creditors.

Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Corporate Debt Obligations and High-Yield Securities

Aldea client portfolios may invest in corporate debt obligations and high-yield securities. The market value of debt securities generally tends to decline as interest rates increase and, conversely, increase as interest rates decline. Debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations, *i.e.*, credit risk.

Because "high yield" bonds and securities are rated in the lower rating categories by the various credit rating agencies, such securities result in greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominately speculative. They are also generally considered to be subject to greater risk than securities with higher ratings because the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities and the market for lower-rated securities is thinner and less active.

Bank Loans

Aldea may invest in loans and loan participations originated by banks and other financial institutions. These investments may include highly leveraged loans to borrowers whose credit is rated below investment grade. Such loans are typically private corporate loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks and financial institutions. In order to induce the lenders to extend credit and to offer a favorable interest rate, the borrower often provides the lenders with extensive information about its business that is not generally available to the public. To the extent that Aldea obtains such information and it is material and nonpublic, Aldea client portfolios will be unable to trade in the securities of the borrower until the information is disclosed to the public or otherwise ceases to be material, nonpublic information.

Mezzanine Instruments

Aldea may invest client portfolios in mezzanine loans, bonds or other instruments. A mezzanine instrument is a privately-negotiated, unsecured, often subordinated debt obligation of an issuer that is unrated or rated below investment grade, the payments on which obligation may contain a form of equity participation in the issuer. Mezzanine loans have greater credit and liquidity risk than loans and are typically less liquid than high-yield bonds. A mezzanine loan may not have any public rating from a rating agency, nor will it have been registered with any securities regulator.

Mezzanine finance generally comprises an unsecured loan which is subordinated in terms of priority of repayment and security behind the senior debt and therefore has a higher risk profile than senior debt. Because of the greater risk, mezzanine lenders may be granted share options or warrants in the borrower

which can be exercised in certain circumstances, principally being immediately prior to the borrower's shares being sold or floated in an initial public offering.

Issuers of mezzanine instruments are likely to be highly leveraged and typically do not have available to them more traditional methods of financing. The risk associated with acquiring the instruments of such issuers generally is greater than is the case with investment grade instruments.

Borrower Fraud

Of paramount concern in investments in credit instruments is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of Aldea to perfect or effectuate a lien on the collateral securing the instrument. Aldea generally will rely upon the accuracy and completeness of representations made by borrowers when making investments, but cannot guarantee such accuracy or completeness.

Volatile Markets

The markets for bank loans, corporate debt and other credit-related investments have been extremely volatile in the recent past, and this volatility may recur. Prices and spreads for certain instruments moved to historic levels, and many markets saw very limited liquidity. Aldea believes that current market conditions present attractive opportunities, but they also present the risk of large losses. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, political events, interest rate movements, natural disasters and general economic conditions. Markets may, due to any one or a combination of these factors, move rapidly in the same direction.

Securities Issued Outside the United States

Aldea client portfolios may invest in securities of non-U.S. issuers. Non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including, without limitation, risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the United States dollar and the various non-U.S. currencies in which the Aldea client accounts' portfolio securities will be denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the United States and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on non-U.S. investment and repatriation of capital; and (iv) the application of tax laws applicable outside the United States (e.g., the imposition of withholding taxes on interest payments, income taxes and excise taxes) or confiscatory taxation may also affect the Aldea clients' investments.

Investments in non-U.S. securities may be affected by political, social and economic uncertainty affecting a country or region. The legal and regulatory environment may also be different between countries, particularly as to bankruptcy and reorganization. There may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States. In addition, settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. These risks may be greater for companies in emerging markets.

Aldea client accounts may incur higher expenses with respect to investments made outside the United States compared to investing in U.S. securities because of the costs incurred in connection with conversions between various currencies and the fact that brokerage commissions outside the United States may be higher than commissions in the United States. Non-U.S. markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States.

Lender Liability Considerations; Equitable Subordination

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (commonly referred to as “lender liability”). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or stockholders.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder: (i) intentionally takes an action that results in the undercapitalization of an obligor to the detriment of other creditors of such obligor; (ii) engages in other inequitable conduct to the detriment of such other creditors; (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (iv) uses its influence as a lender or bondholder to dominate or control an obligor to the detriment of such creditors, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, which remedial action is called “equitable subordination.”

Service on the Board of Directors

Aldea may have one or more of the principals or their affiliates serve as directors of certain of the Portfolio Companies in which Aldea client portfolios invest. Such service, especially in light of statutes and regulations relating to corporate governance and increased scrutiny of corporate boards, could expose Aldea client accounts, the principals or Aldea and its members and affiliates to regulatory action and/or claims by a Portfolio Company, its security holders or its creditors. While Aldea intends to manage client portfolios in a way that will minimize exposure to these risks, the possibility of successful claims or adverse regulatory actions cannot be eliminated, and such events may have a significant adverse effect on Aldea client portfolios.

Certain Litigation Risks

Aldea client portfolios will be subject to a variety of litigation risks, particularly if one or more Portfolio Companies faces financial or other difficulties. Legal disputes involving any or all Aldea client portfolios, Aldea, its members or affiliates may arise from the foregoing activities (or any other activities relating to the operation of Aldea or its client portfolios) and could have a significant adverse effect on Aldea client portfolios.

Layering of Fees & Expenses

To the extent clients invest in other Private Funds, such funds will generally pay management fees, carried interest and other expenses pursuant to the Governing Documents of such funds. These fees and expenses will be in addition to the fees paid to Aldea and its affiliates and any expenses incurred by the Private Fund formed by Aldea. The layering of fees and expenses are expected to significantly reduce investment returns.

The Loss of Key Personnel May Materially and Adversely Affect Account Performance.

The success of the funds and other client accounts is highly dependent on the financial and managerial expertise of the principals of Aldea. However, there can be no assurance that such individuals will continue to be associated with Aldea or its affiliates throughout the life of each Fund and other client accounts, accordingly, the loss of one or all of the principals of Aldea may materially and adversely affect the funds’ and other client client accounts’ performance.

Other Risks

In addition to these and other risks related to investing in Private Funds or Portfolio Companies, there are other risks related to the regulatory environment in which Aldea operates. These risk factors and potential conflicts of interest are discussed in detail applicable Governing Documents, which should be read carefully before investing through Aldea.

Cybersecurity Risks

Aldea, its advisory clients and Aldea's affiliates and service providers depend on information technology systems and, notwithstanding the diligence that Aldea or an affiliate may perform on its or a client's service providers, it may not be in a position to verify the risks or reliability of such information technology systems. Aldea, its clients and their respective affiliates and service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Aldea, its clients and their information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Aldea generally will attempt to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Aldea or an affiliate may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Aldea's, a client's or any of their respective affiliates' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Aldea and its affiliates' reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to Aldea clients or investors by interfering with the operations of Aldea and its affiliates (or their service providers). Aldea's clients and investors may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Aldea, Aldea's clients and Aldea's affiliates to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and Aldea clients may be required to indemnify Aldea and its affiliates against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH ALDEA'S INVESTMENT STRATEGIES. INVESTORS ARE ENCOURAGED TO CAREFULLY REVIEW THIS BROCHURE AND THE APPLICABLE GOVERNING DOCUMENTS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.

ITEM 9: DISCIPLINARY INFORMATION

Aldea has no information to disclose in response to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Aldea Affiliated Entities

Aldea or an affiliate may establish one or more funds or investment vehicles, including parallel funds or feeder funds, or one or more alternative investment vehicles for client or for the purpose of structuring particular investments. Any such investment vehicles, as well as the general partner or managing member to or of such entity, may be an affiliate of Aldea.

Personal and Family Investment Activities

Certain Principals and affiliates of Aldea hold and may hold direct and/or indirect personal or family investments in various entities, companies, investments and assets/properties, including Private Funds established by Aldea or other clients managed or sponsored by Aldea and other entities, and may serve or may serve on boards of directors, investment committees and advisory boards for such companies or entities. Employees are subject to Aldea's Code of Ethics and Insider Trading Policy, which govern, among other things, personal trading activities, business activities outside Aldea, handling of material non-public information obtained either through Aldea or activities outside Aldea and the conflicts of interests related to the aforementioned activities. See Item 11.

Other Activities

Currently, Mina Pacheco Nazemi is a member of a strategic advisory committee of East West Bancorp, Inc. ("East West"). In that capacity, which is focused on the community aspects of the bank, she has no control with respect to East Bank, receives no compensation and has no investment role. Principals or employees of Aldea serve or may serve on boards of directors, investment committees and advisory boards for certain other companies or businesses, to the extent permitted and approved under the Firm's Code of Ethics. Supervised persons must generally obtain prior approval from the Chief Compliance Officer with respect to outside activities. Except as otherwise agreed by Aldea, supervised persons are generally expected to devote their full professional time and efforts to the business of Aldea and its affiliates and use reasonable efforts to avoid activities that could present actual or perceived conflicts of interest.

Other Registrations

Neither Aldea nor any of its affiliates or related persons is registered, or has an application pending to register as a securities broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor.

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

Aldea may advise multiple clients that have different investment objectives, guidelines and strategies, as set forth in the applicable Governing Documents of each such client. In performing its advisory services, Aldea may give advice and take action with respect to any of its clients that may differ from actions taken by Aldea on behalf of other clients. Aldea and its affiliates, along with their respective personnel, may invest or otherwise have an interest, either directly or indirectly, in Aldea-managed Private Funds or other advisory clients (or investments made by such clients). One client may invest in the same Portfolio Company investments as another client consistent with the terms of the applicable Governing Documents and, if applicable, approval by the applicable advisory committee of the applicable client once established. Aldea has implemented policies and procedures relating to personal securities transactions and insider trading, which are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve conflicts appropriately, if they do occur.

Code of Ethics

Aldea has adopted a Code of Ethics, which sets forth standards of business conduct and various other policies and procedures applicable to all of Aldea's supervised persons. As such, Aldea's Code of Ethics generally includes, among other things: (i) standards of business conduct, requiring that supervised persons comply with relevant provisions of the federal securities laws and the fiduciary duties an investment adviser owes to its clients, and policies designed to identify and address conflicts of interest; (ii) personal securities transaction policies governing the personal investment activities of relevant personnel and requiring the

submission by access persons of reports regarding their personal trading accounts and activities; and (iii) an insider trading policy and policies and procedures designed to prevent misuse of material non-public information. Clients and investors may obtain a copy of Aldea's Code of Ethics by contacting Mina Pacheco Nazemi at (203) 252-1945 or mina@aldeacap.com

Currently, all employees, officers, directors and principals of Aldea are considered to be "Access Persons" for purposes of the Code of Ethics. Personnel who fail to observe the Code of Ethics and related compliance policies risk serious sanctions, including dismissal and personal liability.

Personal Securities Transactions Policy

Aldea's Code of Ethics includes a personal securities transactions policy, which imposes certain requirements and restrictions with respect to personal trading and investment activity by Access Persons. In particular, Access Persons generally are required to obtain the approval of the Chief Compliance Officer before buying or selling any security that is currently owned by or is being considered for purchase or sale by any client. Access Persons also must obtain approval prior to investing in initial public offerings or any private placements. Aldea maintains and periodically updates a restricted list, to reflect actual or potential investment activities of advisory clients or potential receipt or possession of actual or potential material non-public information. Access Persons generally are prohibited from investing in securities listed on Aldea's restricted list without prior approval by the Chief Compliance Officer. In appropriate circumstances and to the extent permitted by applicable law, the Chief Compliance Officer may grant waivers to Code of Ethics restrictions.

Insider Trading Policy

Aldea and its related persons may, from time to time, come into possession of material nonpublic and other confidential information, which, if disclosed, might affect a reasonable investor's decision to buy, sell or hold a security. Under applicable law, Aldea may be prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any other person, regardless of whether that other person is a client. Accordingly, should Aldea or any of its supervised persons come into possession of material nonpublic or other confidential information with respect to any company, it may be prohibited or restricted from communicating that information to any other person or using that information for the benefit of its clients. Accordingly, Aldea's Code of Ethics contains procedures to prevent the misuse of material nonpublic information by Aldea and Aldea's supervised persons.

Reporting Requirements under the Code

To assist Aldea in monitoring personal trading activities in order to detect potential conflicts of interest or violations of the Code of Ethics, fiduciary duty or applicable law, Access Persons generally must provide periodic reports with respect to personal securities transactions, holdings and accounts, including annual reports of holdings in reportable securities and quarterly reports of their personal transactions in reportable securities. These reports are submitted to and reviewed by the Chief Compliance Officer or his designee.

Gifts and Entertainment

Subject to certain restrictions, Aldea's supervised persons may on occasion accept or provide gifts or invitations to entertainment. Aldea's gifts and entertainment policy implements internal controls to monitor such activity, which include reporting or seeking pre-approval before giving or accepting gifts and entertainment of significant value and prohibiting or limiting the provision or receipt of cash gifts, as well as gifts or entertainment to government employees, foreign officials and certain other categories of recipients.

Political Contributions

Aldea has adopted a Political Contribution policy that is intended to ensure that neither the Firm nor its employees engage in prohibited pay-to-play activities. Aldea's supervised persons are prohibited from making political contributions for the purpose of inappropriately influencing any investment or business decision. In addition, Aldea supervised persons are required to report or seek pre-approval before making any political contribution or soliciting contributions from others.

ITEM 12: BROKERAGE PRACTICES

Because the nature of Aldea's business is to make private equity investments for client portfolios, Aldea does not expect to use broker dealers for purchases of securities. When serving as the investment manager or managing member of the general partner of Private Funds, Aldea will generally have the authority to determine what securities the partnerships should buy or sell and what brokers or dealers the Private Funds should use. The vast majority, if not all, of the investments made by the Private Funds will be in non-registered securities (e.g. direct participation securities) offered in private placements without the services of a broker-dealer. Consequently, while Aldea will have the authority to select brokers or dealers, such authority is seldom expected to be exercised. However, on occasion, the client account may receive public security positions through a distribution in kind or as part of a distribution or liquidation of a Portfolio Company. Accordingly, Aldea may occasionally use brokers to transact on behalf of its client accounts.

In situations where Aldea chooses the broker-dealer to liquidate or otherwise sell these positions, consistent with its duty to seek best execution, Aldea generally will select brokers and dealers based upon their reputation, quality of service, and ability to liquidate the particular security. When selecting a broker or dealer, Aldea may also take into account factors such as execution capabilities, commission rates, fees, responsiveness and financial responsibility. In applying these factors, Aldea recognizes that different brokers may have different execution capabilities with respect to different types of securities and transactions, and that no one broker will likely be judged the best at every relevant factor as a general matter or with respect to any particular transaction. Aldea generally will periodically review executing brokers from both a qualitative and quantitative perspective to assess the quality of executions and value of services provided.

To the extent Aldea advises client accounts on a non-discretionary basis, Aldea will generally not have the authority to determine the financial intermediaries used in connection with such clients' transactions and therefore cannot negotiate any fees related to such transaction. However, Aldea may accept client instructions for directing the client's brokerage transactions to a particular broker-dealer. In the event a client directs brokerage arrangements, Aldea will not negotiate commissions, may not obtain volume discounts or aggregate such transactions. Commission charges will vary among clients and best execution may not be obtained for directed brokerage transactions.

Soft Dollars. As a matter of general policy, Aldea does not participate in soft dollar arrangements. Aldea does not receive research or other products or services from broker dealers or third parties in connection with client securities transactions. Should Aldea for any reason choose to enter into one or more soft dollar arrangements, it would continue to place primary consideration on the broker's ability to provide best execution. Further, any soft dollar arrangements would endeavor to meet all the conditions of Section 28(e) of the Exchange Act.

Brokerage for Client Referrals. Aldea does not currently have any referral arrangements or use brokerage relationships for client referrals.

ITEM 13: REVIEW OF ACCOUNTS

Reviews. All accounts are reviewed at least on a bi-annual basis. Senior professionals including all members of Aldea's investment committee may more frequently review the accounts. Senior professionals are typically assigned not more than five client accounts for maintenance and review. In addition, if applicable, certain matters that may present conflicts of interest are reviewed by the advisory committee for the respective client.

Client accounts would be reviewed more frequently if extenuating circumstances were to arise. Depending on the extenuating circumstance Aldea would determine the appropriate frequency of monitoring the account. Challenged investments or investments on a "watch list" may lead an account to have a higher frequency of review.

Considerations for watch list status for investments in private funds include:

- Investments whereby the manager has experienced turnover, a key man event, or other organizational issues
- Underperformance and higher than expected losses in the portfolio
- Delayed deployment of capital
- Regulatory challenges or issues
- Extended investment period

Considerations for watch list status for direct/co-investments include:

- Management turnover or challenges
- Missed budgets
- Breach of covenants
- Longer than expected investment period
- Operational issues
- Sales issues

Reports to Clients and Investors. Written reports are provided to clients on a quarterly or annual basis. To the extent that clients may want a more frequent reporting package, Aldea may provide additional reporting at reasonable intervals. Reports may be customized based on the needs and interests of the clients.

On a quarterly basis Aldea will prepare written reports to clients which likely include the following:

- 1) Overview of the portfolio with summary of portfolio performance
- 2) Financial Statements (quarters 1-3 unaudited and quarter 4 audited), as applicable
- 3) Portfolio Summaries
- 4) Capital Allocations, if applicable
- 5) Investment Fund Profiles, if applicable

Should Aldea establish one or more Private Funds, subject to the applicable Governing Documents investors will generally receive (i) annual audited financial statements of each applicable Private Fund within 120 days following the end of each fiscal year; (ii) unaudited quarterly (or such other period set forth in the applicable Governing Documents) reports within 60 days after the end of each fiscal quarter, which include a summary of investments made by such Private Fund during such quarter and a statements of the investor's consolidated capital accounts; and (iii) annual tax information within 120 days following the end of each fiscal year. In addition, the Private Funds may hold annual meetings to provide investors with the opportunity to review and discuss investment and Portfolio Company activities. They may review other

information as presented by Aldea consistent with the duties established in the applicable Governing Documents.

Aldea may provide additional reporting to clients or limited partners pursuant to provisions in advisory contracts or side letter agreements (including increased transparency and other information rights). Representatives of Aldea are available for discussions with investors on a periodic or agreed upon basis. Private Fund books and records will generally be available for inspection by investors at reasonable times during business hours (subject to any limitations set forth in the applicable Governing Documents).

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Other than the fees and expense reimbursements as described in Item 5 above, neither Aldea nor any affiliate generally receives any economic benefit from a non-client for providing investment advice or other advisory services to its clients.

Aldea has or may have relationships with its owners or advisors who may refer clients to the Firm. These individuals will have or receive an economic interest in the Firm that may be impacted by the Fees received from new clients introduced.

Aldea may enter into agreements or arrangements with placement agents, solicitors or other third parties who refer clients or investors to Aldea or to Private Funds managed by Aldea. In consideration of these referral services, such persons receive or may receive compensation from Aldea (or its affiliates) which may consist of, among other things, a percentage of the management fee and/or carried interest distribution otherwise payable or distributable to Aldea or its affiliates; a percentage of an investor's commitment and/or a flat fee; or equity ownership in Aldea. Clients and investors generally will not be charged any higher or additional fees as a result of any placement agent or solicitation arrangements. In every instance, all arrangements and payments of referral or placement agent fees will be disclosed to applicable investors.

ITEM 15: CUSTODY

To the extent Aldea or an affiliates serves as the general partner or managing member of any Private Fund, it would generally be deemed to have custody of such client's funds and securities for purposes of Rule 206(4)-2 under the Advisers Act. In order to comply with Rule 206(4)-2, Aldea utilizes the services of qualified custodians (as defined under Rule 206(4)-2) to hold client cash and securities, to the extent required by the Rule. Aldea also ensures that each qualified custodian maintains these assets in an account that contains only client assets, under the client's name. Cash is maintained at a bank. Securities generally are maintained by a broker, bank or other qualified custodian, except with respect to "privately offered securities" as defined in Rule 206(4)-2, which generally are not required or able to be held at a qualified custodian.

In accordance with Rule 206(4)-2, for each such Private Fund it will (i) engage an independent auditor registered with and subject to inspection by the PCAOB to audit each of its clients as of the end of each fiscal year and (ii) distribute the results of the audit in audited financial statements (prepared in accordance with generally accepted accounting principles) to all investors within 120 days after the end of the fiscal year, but there can be no assurance that Aldea will be successful in this regard. Qualified custodians generally are not expected to provide account statements directly to investors.

Other client funds and securities will also be held at a qualified custodian. Qualified custodians will generally provide monthly online account statements to Aldea as the manager via access to the custodian's website. Aldea will review statements received from the qualified custodian by comparing the account statements prepared by Aldea with those prepared by the qualified custodian.

ITEM 16: INVESTMENT DISCRETION

For its discretionary client accounts, including Private Funds that may be established by Aldea, discretionary authority will be granted to Aldea by an investment management agreement, limited partnership agreement or other applicable Governing Documents. The investment objectives and restrictions applicable to Private Funds will be set forth in the applicable Governing Documents. Investors in Private Funds established by Aldea generally do not have authority to impose any restrictions upon Aldea's discretionary authority. However, Aldea may, under certain circumstances, enter into a side letter or similar agreement with an investor in a Private Fund that limits such investor's participation in certain types of investments in order to address specific legal, regulatory, tax or policy restrictions of the investor. Each investor in a Private Fund will generally grant the general partner of such Private Fund a limited power of attorney to enable the general partner to execute the applicable partnership agreement and perform certain other activities in connection therewith on its behalf.

As discussed in Item 4, Aldea may also provide non-discretionary advisory services, including private markets monitoring and reporting services, based upon the terms and conditions set forth in the applicable Governing Documents of the client.

Pro-Rata Allocations

Aldea may, from time to time, make the same private equity investment on behalf of more than one investor/client when such investment is suitable to those investors/clients. Suitability will be determined by the investment guidelines, objectives and restrictions of each mandate as defined by the partnership agreement, advisory agreement or other Governing Document.

ITEM 17: VOTING CLIENT SECURITIES

Clients and Private Fund investors generally cannot direct how proxies for securities held in such Private Funds or client accounts are voted, and therefore Aldea generally is generally responsible for voting any proxies with respect to such securities. Aldea will not typically invest in or hold publicly-traded securities and, therefore, rarely expects to vote proxies. However, clients of Aldea may on occasion hold public securities, which may be subject to proxy votes. Aldea does not vote or review proxies on securities held by any underlying Portfolio Companies. Aldea will generally not have the authority to vote proxies for non-discretionary client accounts.

Aldea has adopted Proxy Voting Policies and Procedures (the "**PVPs**") designed to ensure that, in the event that Aldea is in a position to vote proxies and deems it in the clients' best interest to do so, Aldea will vote such proxies based on what it considers to be in the best financial interest of each applicable client, as determined in its discretion.

Aldea will attempt to identify actual or potential conflicts of interest that could compromise the independence of voting decisions when voting a proxy on behalf of a client. Where a material conflict of interest is identified, Aldea generally will attempt to resolve the conflict before voting a proxy. Aldea may determine not to vote proxies in respect of securities of an issuer if it determines that it would be in the applicable client's overall best interest not to vote. Investors generally may not direct or otherwise influence votes with respect to any particular proxy solicitation.

Investors may receive a copy of the PVPs, as well as information on how proxies were voted on behalf of a client, if applicable, upon request.

ITEM 18: FINANCIAL INFORMATION

Aldea is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients. Neither Aldea nor its principals have been the subject of a bankruptcy petition.