



CAMBRIDGE ASSOCIATES

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## **CAMBRIDGE ASSOCIATES LIMITED, LLC BROCHURE**

**April 22, 2020**

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This Brochure provides information about the qualifications and business practices of Cambridge Associates Limited, LLC. If you have any questions about the contents of this Brochure, please contact:

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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 Cambridge Associates Limited, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC does not mean that the SEC or any other agency of the United States government has reviewed or approved of the registered investment adviser's abilities or qualifications nor does it imply a certain level of skill or training.

## **Item 2 – Material Changes**

Item 8 has been amended to reflect risks associated with the novel coronavirus (COVID-19) and associated measures to curtail its spread.

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## Item 4 – Advisory Business

### *Summary*

Cambridge Associates Limited, LLC is a subsidiary of Cambridge Associates, LLC (collectively referred to as the “Firm”) and a privately held investment advisory firm principally owned by employees and clients.

### *Our Mission Statement*

We partner with endowments, foundations, pension plans, corporations and private clients to implement and manage custom portfolios to generate outperformance so they can maximize their impact on the world.

### *The Firm*

The Firm has five global subsidiary affiliates collectively providing investment management, investment advisory, research and performance reporting services.

Name	Location	Legal Structure
Cambridge Associates, LLC	Boston, Massachusetts U.S.A.	Massachusetts Limited Liability Company (Registered and regulated by the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Exchange Commission and the National Futures Association)
Cambridge Associates Limited	London, England	Limited Company in England and Wales (Authorized and regulated by the U.K. Financial Conduct Authority)
Cambridge Associates Asia Pte Ltd	Singapore	Singapore Corporation (Registered and regulated by the Singapore Monetary Authority)
Cambridge Associates GmbH	Munich, Germany	German Limited Liability Company (Registered and regulated by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin))
Cambridge Associates Investment Consultancy (Beijing) Ltd.	Beijing, China	People’s Republic of China Limited Liability Company

In addition to the entities listed above, the Firm and its affiliates have established various entities to serve as general partners and/or managing members for the Firm’s Single Investor and Single Manager Funds<sup>1</sup>. These affiliated entities include Brook Street Limited;

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<sup>1</sup> Please refer to pages 6 of this Brochure for more information relating to our Single Investor and Single Manager Funds.

Cambridge Associates Resources, LLC; and Church Green Limited. The Firm and its affiliates are under common ownership and control. Cambridge Associates Limited, LLC is not affiliated with any broker/dealers, other investment managers, solicitors or placement agents. The Firm provides its clients with a wide range of services designed to help maximize portfolio returns within the context of their governance framework. For clients with limited in-house resources and an investment committee that seeks to delegate portfolio implementation, we offer discretionary investment management or Outsourced Chief Investment Officer services (OCIO). For those that seek a similar level of support but wish to retain approval rights on manager hiring and firing, we offer non-discretionary portfolio management services. The Firm provides these services for a total portfolio or for specific asset classes.

For clients that have fully built-out investment offices, we offer staff extension services which are customized to complement such clients' in-house resources. Typically, this includes our acting as an expert sounding board as well as providing alternative asset expertise and manager due diligence and tools.

We also offer services to clients that seek specialized advice and guidance. These services are typically tailored to the client but most often include strategic and tactical asset allocation advice as well as manager selection, participation in committee meetings, access to research services and performance reporting.

We also provide focused investment services relating to socially responsible investing, ESG and impact investing and have dedicated resources researching managers and working with clients to align their investing with their missions.

In addition, we provide expertise and guidance regarding the selection of diverse managers through dedicated resources seeking to find and diligence women and minority managers.

Generally, the Firm does not engage in individual stock selection but rather assists clients in selecting and investing with institutional quality, external investment managers. The Firm does, however, provide advice to clients on co-investment opportunities in individual companies, exchange traded funds (ETFs), equity and bond futures and secondary offerings of privately placed investment funds (secondaries).

The Firm has dedicated substantial resources in conducting due diligence and investing in alternative asset classes including hedge funds, private investments (private equity/venture capital), private credit, real estate, timber and other natural resources.

To focus on the specific needs of various groups of clients, we have formed practice areas specializing on the needs of endowments and foundations, private clients and pensions. These practice areas seek to expand our knowledge of the investment requirements of each type of client and maximize our ability to better serve those clients. We also have a dedicated business unit, CA Capital Management, to oversee our OCIO discretionary investment management practice.

We do not offer any multi-manager funds or off-the-shelf investment products such as commingled fund-of-funds. We have created vehicles to provide administrative ease and improve access to managers. These include:

### ***Single Investor Funds***

Although we typically service discretionary clients through separately managed accounts, we have established and offer “Single Investor Funds” or “SIFs” for clients seeking a portfolio of alternative investment assets without the associated administrative burdens. We establish a separate SIF for each client, and we act as the investment manager to that SIF in a discretionary capacity. We outsource investment accounting and administration, tax preparation, annual audits and custody/banking to qualified third-party service providers. Unless otherwise instructed by a client, we take responsibility for the management of these external relationships, effectively relieving a client of the administration associated with the investment program.

### ***Single Manager Funds***

We have established several “Single Manager Funds” or “SMFs” to aggregate assets from multiple clients for investment in alternative assets whose high minimums or other access restrictions would have otherwise prevented these clients from investing or to obtain more favorable fees or terms from managers. When clients express enough interest to warrant the use of an SMF, we may establish a separate fund for each alternative investment or manager for which we are pooling assets, including for co-investments and secondaries.

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

	Number of Accounts	Assets as of December 31, 2019
Discretionary	0	-
Non-Discretionary	15	3,339,600,000
Total	15	3,339,600,000

These figures (rounded to the nearest \$100,000) are based on the net asset values of our clients’ securities (including hedge funds and private investments) as reported to us by the investment managers. The value of private investments is reported with at least a one-quarter lag. Where we advise or manage assets that are also invested in one of the Firm’s investment vehicles, we count those assets only once for the purposes of Regulatory Assets under Management.

In addition to our Regulatory Assets under Management, we also maintain relationships with many of our clients where we engage in proactive and ongoing leadership of the client’s investment program on a non-discretionary basis, however, these assets are not considered Regulatory Assets under Management by the U.S. Securities and Exchange Commission.

### ***Industry Partnerships***

We have been selected to provide data and/or analysis as well as to develop and maintain customized industry benchmarks for a number of prominent industry associations, including, but not limited to:

- The African Private Equity and Venture Capital Association (AVCA)
- The Australian Private Equity and Venture Capital Association Limited (AVCAL)
- China Venture Capital and Private Equity Association (CVCA)
- The Emerging Markets Private Equity Association (EMPEA)
- The Global Impact Investing Network (GIIN)
- The Institutional Limited Partners Association (ILPA)
- The New Zealand Private Equity and Venture Capital Association Inc. (NZVCA)
- Singapore Private Equity & Venture Capital Association (SVCA)

We have also entered into a distribution agreement with Refinitiv (formerly Thomson Reuters) to supply the ThomsonOne.com<sup>TM</sup> / Eikon platforms with anonymous and aggregated private equity, venture capital, real estate, and other private investments fund performance data and statistics.

Through our distribution agreement with Refinitiv (formerly Thomson Reuters), we provide aggregated fund performance information to entities whose members or clients include investment management firms. This results in the Firm receiving indirect compensation from investment managers, some of whom we may evaluate and recommend to our clients. We take steps to mitigate this potential conflict, including requiring our distribution partners to be the sole interface with their investment manager members and subscribers and asking them to shield the identity of any such members/subscribers from our investment professionals. Despite these efforts, it is possible that our investment professionals could become aware of the identity of these investment managers and favor them over others.

## Item 5 - Fees and Compensation

The Firm does not receive compensation from investment managers in connection with the purchase or sale of their securities. The fees we charge clients and the services we offer are described below and are based on our current fee schedules. Certain legacy clients pay different fees. Our fees vary based on the scale and complexity of the mandate.

Contract Type	Description of Services	Fee Ranges
Portfolio Management Services	We direct and monitor the investment portfolio. This may be provided on a non-discretionary or discretionary basis.	The fee depends on the type of client, the asset classes under advisement, the complexity of the portfolio and other factors. Fees may be higher or lower depending on asset level breakpoints, and fees or a portion of fees may be contingent on meeting performance hurdles. Fees range from 2 to 60 basis points on the net asset value of the investment assets (or on commitments to private investments) and are generally subject to a minimum annual fee.
Staff Extension Services	Depending on a client's specific needs, we build a custom relationship, typically acting as an expert sounding board leveraging our research platform, and supplementing their internal capabilities. Often our work is focusing on alternative assets.	The fee depends on the client's in-house resources and the specific set of services desired by the client. Typically, these are fixed fee arrangements, subject to a minimum annual fee.

We generally customize our services based on each individual client's needs, therefore, our fees are dependent on a client's total asset size, governance structure and service requirements, portfolio complexity and asset mix, whether the relationship is discretionary, client domicile, longevity of a relationship with us, type of institution (e.g., a nonprofit organization, a corporation, a public pension plan, a private client, etc.)

### ***Payment Schedules***

Depending on the agreement, we invoice clients quarterly, semi-annually, up-front or according to an agreed upon schedule depending on the scope of services provided and whether fees are value-based or fixed. Where our fees or a portion of fees are contingent on meeting performance hurdles, we invoice in the quarter after the performance period ends.

When applicable, out-of-pocket reimbursable expenses such as our expenses (at cost) for travel, printing, postage and delivery of documents are billed monthly.



Unless otherwise agreed upon, we only value securities for those clients invested in a SIF or SMF subject to a financial audit. For all other relationships, we are not responsible for valuing client securities. For purposes of calculating fees payable to the Firm for relationships for which fees are based upon a rate applied to asset values in the portfolio, the Firm relies on the asset values presented in our client performance reports which include market value, net asset value or value of committed capital (as applicable) of underlying investments. Some reported values are preliminary and some values are adjusted by the Firm to reflect distributions and capital calls of underlying investment funds or estimated based on the performance of proxy benchmarks. These values are typically net of the investment managers' fees. For the limited number of clients that do not receive performance reports prepared by the Firm and/or require the Firm to use other sources of asset value (e.g., custodial statements) but are subject to an asset-based fee, the Firm uses values in our performance reporting system or as reported by those clients. Some clients have made arrangements with the Firm to use different asset value sources than described above.

For audited SIFs and SMFs, we are responsible for valuing securities held within the vehicles and have a valuation policy and procedures in place to review and price the value of those investments. As such, the value of investments reported by the Firm and used for billing purposes can differ for clients holding assets through SIFs or SMFs as opposed to holding such investments directly.

With respect to the SIFs, our general practice is to deduct our management fee from the assets of each fund quarterly in advance, however, specific billing practices differ depending on specific client requirements. Organizational and operational expenses of the SIFs are generally the responsibility of the investor, although some of these expenses are, in some instances, included in the management fee. These expenses are typically paid out of the SIF's assets, although investors can pay these expenses directly. The terms of each SIF can be negotiated and are governed by the limited partnership agreement or its equivalent.

Clients invested through our SMFs generally pay their advisory fees outside of the fund, however, specific billing practices differ depending on specific client requirements. Operational expenses incurred by the SMFs are allocated to investors on a pro rata basis.

### ***Termination Provisions***

Many of our contracts have an initial one-year term, with automatic renewal for subsequent years assuming no change in services and/or fees. Our clients may terminate their relationship immediately or following a notice period specified in their contract, typically between 30 to 90 days. Upon termination, we will adjust any fees payable to us or paid in advance by the client on a pro rata basis from the effective date of the contract, including contracts for project work, through the date of termination.

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

We do not charge performance-based fees for our non-discretionary investment advisory services. We do, however, recommend investment managers to our clients that charge performance-based fees. We do not typically offer performance-based fees for discretionary services, however, we can if a client is interested in this type of fee structure. Certain conflicts of interests and risks exist in situations where we charge performance-based fees. For example, depending on client performance, performance-based fees could create an incentive for the Firm to make investments that are riskier or more speculative than would be the case if such fee arrangements were not in effect. We seek to mitigate this risk by mutually agreeing upon investment guidelines with discretionary clients and putting policies and procedures in place to adhere to those guidelines. In addition, we have an incentive to favor clients whose performance leads to increased revenue for the Firm. We seek to mitigate this conflict with the adoption of policies and procedures designed to treat clients fairly and allocate investments reasonably over time.

## **Item 7 - Types of Clients**

All of our clients are Accredited Investors and nearly all are also Qualified Purchasers<sup>2</sup>. Our clients include colleges and universities, foundations and other non-profit institutions, including, but not limited to, museums and libraries, independent schools, religious institutions, professional and research institutions, service organizations and performing arts institutions. We also act as an investment adviser to private clients, family offices, corporations, healthcare institutions, insurance groups, pension plans and ERISA pools and public and government-related groups.

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

We typically work with our clients to identify and refine their investment objectives, risk parameters and spending needs to determine an appropriate asset allocation and manager structure designed to achieve particular financial goals. We utilize a number of analytical models to determine the appropriate asset allocation and manager structure, and we seek to match strategies and managers that we recommend or select with our clients' objectives.

Our investment manager due diligence is based on qualitative and quantitative analyses briefly described below.

Qualitative factors we generally consider during our initial due diligence and ongoing monitoring include:

- History of the organization and management team additions and departures
- Experience, quality and capacity of current investment team

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<sup>2</sup> "Accredited Investor" and "Qualified Purchaser" are defined in Rule 501 of Regulation D and Section 2(a)(51) of the Investment Company Act of 1940, respectively.

- Organizational strength and cohesiveness
- Attractiveness of track record and relevance to stated strategy
- Attractiveness and consistency of investment strategy and philosophy
- Deal origination and structuring capability
- Investment due diligence skills
- Ability to add value to deals
- Partnership or transaction terms, from a business perspective
- Investment environment
- Competitive landscape

For traditional marketable managers, we typically obtain their current holdings data and run a series of historical analyses. We generally examine the product, team, organization, performance and fees.

For hedge fund managers, we emphasize a qualitative evaluation of how their portfolios are likely to perform in different market environments. We favor strategies where managers look for inefficiency at the security level and exhibit a degree of transparency that enables us to understand the depth of the manager's fundamental analysis and approach to risk control. We focus on the manager's research process, historical security selection skill and portfolio structuring capabilities.

For private investment managers, our quantitative review generally includes the manager's track record and financial performance assessed on an absolute basis and on a relative basis versus our own proprietary vintage year benchmarks. When available, we also conduct performance attribution analysis at the company level to ascertain which investments and sectors drive the manager's performance. We also conduct reference checks on managers by interviewing underlying portfolio companies.

Our investment directors rely primarily on the manager due diligence conducted by the Firm's Research Group to identify managers that are aligned with an individual client's needs and objectives but also rely on their own research in making recommendations to their clients. In some cases, the recommended managers and funds have neither undergone the full due diligence process nor will they be the subject of ongoing monitoring. This includes, but is not limited to, index funds, ETFs, money market funds and other passive investment strategies, spin-offs from existing managers, co-investments, niche managers and customized separate accounts.

We generally do not recommend direct investments in individual securities due to our focus on investment managers and their funds or products. Such direct investments are not subject to the due diligence process described above.

The recent outbreak of the novel coronavirus (COVID-19) and associated measures to curtail its spread, such as travel restrictions, has affected our ability to conduct on-site due diligence meetings with investment managers. While such restrictions are in place, we will use other means to remain in contact and monitor managers such as email, telephone and video calls. We do not believe that these restrictions present a material risk to monitoring

investment managers in the short-term, however, a prolonged period of restricted travel could affect our ability to monitor and identify investment opportunities.

Depending on the investment mandate and type of client, we also recommend and invest client assets with third party managers to gain synthetic exposures through the use of derivatives, primarily futures. We are not, however, a futures commission merchant and do not trade derivatives directly. Although we do not engage in direct borrowing or leverage in client portfolios, a high degree of leverage is often obtainable in futures trading because of small margin requirements. We use this investment strategy opportunistically, to maintain exposures either during portfolio transitions or as a result of market fluctuations, and to hedge portfolio liabilities. For these types of managers, we focus on operational infrastructure and personnel to determine whether a manager is sufficiently resourced to trade and execute transactions efficiently and in accordance with a particular mandate.

In discussions with investment managers regarding terms contained in partnership documents, investment management agreements or other investment documentation, we generally take positions that we believe to be in the common interest of all our clients. In certain circumstances, however, a member of our advisory staff will take a position on behalf of a particular client that is intended to serve the interests of that client, without regard to the interests of other clients. For example, an investment professional may advise a client to take a certain position on an amendment to a partnership document that advantages that client and may communicate that position to the investment manager. It is possible that other Firm investment professionals that serve other clients with differing interests may not take a position on the amendment, or may recommend that a client take the opposite position on the same amendment.

Our investment professionals may provide different investment advice regarding the same investment manager, product or transaction to different clients. This difference arises primarily from the unique nature of each client's situation and the judgment of the investment professional assigned to that client. For example, one investment professional may advise a client to redeem from an investment, while another investment professional may advise a client to invest in the same fund. This difference also arises in our discretionary portfolios. In addition, we may advise clients, or cause discretionary client portfolios, to participate in a co-investment alongside a private investment fund in which one or more other clients of ours hold interests.

Clients may be eligible for reduced fees with respect to certain investments under various arrangements negotiated by us on behalf of all or a subset of our clients. The fees may be based on the aggregation of our clients' investments in a fund or with a manager for the purpose of taking advantage of the fee reductions and to determine the applicable fee rate. The fees charged by underlying investments may change without notice based on the actions of our other clients, if the fee arrangements between the underlying investments and the Firm change or if a client terminates its agreement with us. The Firm recommends and invests client investments in funds or managers that have fee breaks contingent on a certain aggregate amount of our clients' capital being invested. When doing so, the Firm's investment decision or recommendation is based solely on the specific client's best interests and does not take into consideration the fee impact on other clients as a whole.

## ***Risk of Loss***

The following risk factors are not intended to be a full or complete listing of all the risks involved in investing, and clients should engage in their own evaluation of such risks.

Past performances of any recommended managers or funds or the success of a manager in any similar venture is no assurance of future success. Investing in securities involves a risk of loss including the possible loss of more than the entire amount invested. There can be no assurance that clients will not incur losses, and clients should be prepared to accept losses as part of their investment program.

The success of any investment activity is affected by multiple factors including national and international political or economic conditions and general market conditions which may affect the volatility of financial markets and interest rates. Success is also affected by the extent and timing of investor participation in the markets. Future events may impact investments in unforeseen ways. Unexpected volatility or illiquidity in the markets could cause clients to incur losses. Politics, recession, inflation, employment levels, trade policies, international events, war, natural disasters, pandemics and other unforeseen events can also have a significant impact upon the prices of securities.

The recent outbreak of the novel coronavirus (COVID-19) and related measures to curtail its spread have had an adverse impact on market and economic conditions. Although the implications of the coronavirus on markets and the resulting economic slowdown are uncertain, the virus presents material risk to the performance and financial results of investments.

In trading public securities, there are consequences for trading on insider information, and we expect that investment managers use only public information in their investment process. Investment managers, however, may be charged with misuse of confidential information, and if that were the case, the performance records of these investment managers could be misleading. Furthermore, if an investment manager or entity with which clients invest has engaged in the past or engages in the future in such misuse, clients could be exposed to losses.

Clients also face the risk of loss associated with the possibility of personnel of an investment manager misappropriating client securities and/or funds.

When investing in certain funds, clients may not be given access to information regarding the actual investments made by the investment manager. Neither the Firm nor our clients will be able to control the activities of external fund managers or be able to monitor their investment activities on a daily basis. At any given time, clients may not know the composition of investment managers' portfolios with respect to the degrees of hedged or directional positions or the extent of concentration risk or exposure to specific markets. Similarly, clients may not learn of significant structural events, such as personnel changes, major asset withdrawals or substantial capital growth until after the fact. A lack of transparency may cause clients to incur losses as a result of reduced diversification and/or over-exposure to particular sectors, regions or individual securities.

Investing in alternative assets such as hedge funds and private investments is associated with greater risk than investing in traditional marketable securities, including but not limited to illiquidity risk, manager-specific risk and valuation risk. Clients should consider the following factors in determining whether investing in alternative assets is appropriate.

***Private Investment Assets, e.g., U.S. and International Private Equity Funds, Venture Capital Funds, Co-investments, Private Credit, Secondaries, Real Estate, Energy, Timber and Natural Resources***

Investments in Private Investment funds are highly illiquid and the underlying company investments of these funds are also generally illiquid. Generally, neither the interests in these funds nor their investment managers are registered with any state or federal regulators, and no readily available markets exist for interests in these funds. Clients should expect to hold such investments for the entire life of these funds.

Historically returns have varied greatly over time depending on the conditions at the time investments were made and when investments were exited by funds. In addition, access to high-quality private investment opportunities may be limited and there is no assurance that such opportunities will be available during the desired investment period.

A strategy that invests a higher percentage of its assets in any one issuer, such as one involving co-investments in individual issuers, could increase the risk of loss and volatility because the value of holdings would be more susceptible to adverse events affecting that issuer. In addition, the value of an investment in any particular issuer can be more volatile than the market as a whole and such investment can perform differently from the value of the market as a whole.

When conducting due diligence on co-investment opportunities, the co-investor may be required to rely on the limited resources available, and due to the timing constraints inherent to the co-investment process, the scope of due diligence performed in connection with a co-investment is typically more narrow than the scope performed by a lead investor. There can be no assurance that due diligence investigations reveal all relevant information or result in a co-investment's success. In addition, to obtain access to due diligence prepared by third parties, a co-investor may be required to agree to limit its rights to bring legal actions against such third parties relating to reliance on such due diligence. Therefore, if third party due diligence relied upon is inadequate, there may be no recourse against the provider of such due diligence.

In connection with the purchase of an interest in a private investment fund from an existing investor of the fund, where the seller previously received distributions from such fund and, subsequently, such fund recalls distributions, the purchaser may be obligated to return cash to the fund. While the purchaser may have a valid claim against the seller of such interest for any such returned amounts, there can be no assurances that the purchaser will be able to collect on such claim.

***Hedge Funds, e.g., Absolute Return, Long/Short Equity, Risk Arbitrage, Global Macro and Distressed Funds***

The risks inherent in investing in hedge funds include limited regulatory oversight, illiquidity, use of possibly speculative trading techniques, use of leverage or derivatives, short selling and hedging techniques. Substantial risks are involved in investing in funds trading in equity securities, options and other derivatives. Despite the hedging tactics used by hedge fund managers to mitigate risk, investments held in hedge funds are susceptible to market movements that can be volatile and difficult to predict. The activities of governments can have an effect on interest rates which, in turn, affect securities, options and derivatives prices as well as the liquidity of such markets.

Additionally, hedge funds are subject to limited withdrawal rights and early redemption fees. A fund may be unable to liquidate certain investments to pay withdrawals in a timely manner. Realization of value from the interests in a hedge fund may be difficult in the short-term, or may have to be made at a substantial discount compared to other freely tradable investments. Interests in these funds are not registered under the Securities Act of 1933 or any federal or state securities law, and certain hedge fund managers may not be registered with either a state or federal regulator. In the event of the early termination of a hedge fund as the result of certain events, the fund may distribute to the limited partners their interest in the assets of the fund. Certain assets held or distributed by the fund may be highly illiquid and may have little or no ascertainable market value.

***Derivatives, e.g., Futures and Futures Overlay Managers***

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract. A relatively small market movement will have a proportionately larger impact on funds deposited for margin. Clients may sustain a total loss of initial margin funds and any additional funds deposited to maintain a futures position. If the market moves against a client's position or margin levels are increased, clients may be called upon to pay substantial additional funds on short notice to maintain a position. Failure to satisfy a request for additional funds within the time prescribed could result in a position being liquidated at a loss, and clients will be liable for any resulting deficit.

**Item 9 - Disciplinary Information**

Not applicable.

**Item 10 - Other Financial Industry Activities and Affiliations**

Our parent, Cambridge Associates, LLC is registered as a commodity trading advisor (CTA) with the U.S. Commodity Futures Trading Commission and is a member of the National Futures Association (NFA). Management persons and those in charge of soliciting funds on behalf of the Firm are registered as Associated Persons with the NFA.

We have a number of affiliates that are described in Item 4, but we do not believe that those affiliations create a material conflict of interest with clients. We do not have other financial industry activities or affiliations where compensation is derived from investing or recommending investment of client assets. We invest or recommend investment of clients' assets with other investment advisers; however, the Firm will not accept compensation from those investment managers for the recommendation or investment.

Together with our affiliates, we have private clients affiliated with investment managers whom we recommend to our clients. In those instances, we will only contract to provide investment advice on their familial or personal assets. We have instituted various controls to notify and disclose to clients the scope and nature of these relationships if such a manager is recommended. Similarly, our clients may have interests in investment managers whose products we recommend or in which we invest discretionary assets, however, the decision to make such a recommendation or investment only takes into consideration the investing client's specific interests.

Similarly, some of our client organizations have individuals serving on their boards and committees who are affiliated with investment managers whom we recommend to our clients. This creates an incentive for us to favor those individuals' investment managers over those with no affiliation to our clients, because they are in a position to influence the selection or retention of the Firm as an investment adviser. We have adopted various controls and policies designed to promote objective investment recommendations to our clients, such as a standardized research process for investment products undergoing full investment evaluation, disclosure policies for products recommended without full investment evaluation and compliance and ethics training for all our staff.

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

### ***Code of Ethics (the "Code")***

We have a Code of Ethics that all our employees must agree to honor in writing annually as a condition of their employment. We will provide a copy of the Code to clients and prospective clients upon request.

Key elements of the Code include:

- Expected standards of conduct
- Disclosure of material outside business activities and personal relationships with investment managers and custodial banks that the Firm may evaluate or recommend to its clients
- The Firm's gift policy
- Confidential treatment of client data
- Restrictions on personal investments
- Restrictions on political contributions



Employees may not engage in any act, practice or course of conduct that is fraudulent, deceptive, manipulative, or potentially misleading.

Employees may not favor certain clients over others such as:

- Giving time sensitive information to one or more clients ahead of others (e.g., providing advance notification that a manager intends to launch a new fund)
- Directing or influencing the allocation of securities of a limited supply and higher potential return to particular clients

Due to the nature of the services we provide, we do not generally have direct responsibility for the allocation of investment opportunities among our clients. We provide investment managers with lists of those clients who may be interested in a potential investment, and we may facilitate an introductory meeting. In those situations, all decisions to accept an investor into a particular fund or investment opportunity are the responsibility of the fund manager or other applicable third party. However, in some instances, we source investments specifically to meet the needs of individual clients, and such opportunities may not be offered broadly to our clients as a whole.

With limited exceptions, our employees may not accept gifts from any person or entity that does or is seeking to do business with the Firm or from any investment managers the Firm considers for clients without the prior permission of the Chief Compliance Officer.

Our employees may not purchase securities from or sell securities to any client without the written approval of our Board of Managers. If approval is granted, we must receive a communication signed by the client acknowledging and approving the transaction.

### ***Personal Trading***

All employees must contact the Firm's Compliance Department to pre-clear the purchase of any securities that are not publicly traded, as well as investments in initial public offerings. Permission will generally be granted provided that the investment would not impede the ability of our clients to invest in the security to the extent that they desire to do so.

All employees must provide the Compliance Department with a securities holdings report within their first ten days of employment and annually thereafter. Employees are also required to certify their personal securities transactions within thirty days after the end of each calendar quarter. Reports of personal securities transactions are reviewed to identify trading that potentially violates securities laws and/or the Firm's written policies and procedures.

All employees must certify annually that they have read and understood the Firm's Code of Ethics, our Compliance Manual and that they have complied with the required personal securities reporting.

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

Our employees may purchase or sell publicly-traded securities that are owned by our clients unless that security is on the Firm's Restricted List or the transaction would otherwise violate our trading policies or any applicable laws.

Our employees may also purchase securities that are not publicly traded provided that their investment would not impede the ability of our clients to invest in that security to the extent that they desire and are able to do so. All such investments must be pre-cleared. Employees may receive relaxed investment terms, such as the waiver of investment minimums, in connection with their investments in private placements. Employees must notify the clients they advise in advance if they recommend a private placement to a client they are considering for themselves or that they already own. Our employees must also notify their clients in advance if they decide to withdraw from a private investment that they have recommended that is also held by their clients. The Chief Investment Officers that oversee discretionary portfolios, however, are not permitted to invest in privately offered securities held within the accounts they manage.

The Firm does not conduct proprietary trading for its own accounts and generally does not invest in the same securities that are recommended to clients, however, the Firm's assets may be held in U.S. Treasuries, U.S. Treasury funds, or money market funds. We also make *de minimis* investments in our SIFs to satisfy requirements of an investment vehicle's legal or tax structure.

### ***Political Contributions***

All members of the Board of Managers, executive officers and any other employees (and their supervisors) whose activities could encompass the solicitation of government clients are required to pre-clear all political contributions to local, state or federal candidates, state and local political parties, or political action committees. This requirement also extends to employee spouses and dependent children.

## **Item 12 - Brokerage Practices**

We have no broker/dealer affiliations. We are an independent investment advisory firm. We do not receive any commissions, research or other products or services in connection with our clients' brokerage transactions. For those clients where we select brokerage firms, we review the reasonableness of their compensation and the reputation of the broker as part of the selection process; however, we do not receive any research or other soft dollar benefits from these relationships.

Clients may use commission credits from directed brokerage towards payment of our fees, however, clients should make their own decisions regarding the use of these programs. Standard brokerage fees can be considerably less than the fees associated with commission recapture programs, and it may not be advantageous to utilize these commission credits to pay all or part of any expenses including the payment of our fees, the fees of investment managers, custodians, etc.

### **Item 13 - Review of Accounts**

Client relationships are assigned to a varying number of investment professionals depending on the service level. These investment professionals are responsible for reviewing client accounts on an ongoing, monthly, quarterly, semi-annual, or annual basis depending on the level of client services. The reviews may be more or less detailed depending on the scope of the services provided and may include a review of performance, asset allocation and the investment funds held in a client's portfolio.

Clients who subscribe to our performance reporting services typically receive written reports containing detailed quarterly and cumulative information on portfolio holdings and performance. Subscribers who also receive investment advisory services are typically informed annually when full due diligence or its equivalent has or has not been completed for a fund/manager in their portfolio. If we become aware of a materially adverse issue with an investment manager represented in our clients' portfolios, a computer-generated notification is sent to the members of the relevant investment team and to each client invested with that manager recommending a review of that holding.

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

We do not compensate any person for client referrals, and we do not receive compensation from investment managers for recommending their products. In addition, we have adopted a gift policy for all employees generally prohibiting the acceptance of gifts other than those of *de minimis* value.

### **Item 15 - Custody**

Depending on the type of agreement a client has with us, we may have custody of a client's investment assets. In certain instances, we may open separate bank accounts or money market accounts to hold any cash balances, or brokerage accounts to hold ETFs and mutual funds. For clients invested in a SIF, we generally provide quarterly investment performance reports, monthly account statements based on the reports we receive from the third-party fund administrator and an annual audited financial statement.

In those instances where we have custody outside of the SIF context, clients receive quarterly account statements from us and their independent custodian, and surprise examinations are conducted in accordance with Rule 206(4)-2 of the Investment Advisers Act of 1940. Where we have custody, clients should compare the values shown on our performance reports with the statements sent directly from custodians, administrators or investment managers.

### **Item 16 - Investment Discretion**

We will enter into discretionary investment management relationships with our clients. The extent of our discretionary authority is generally limited to the selection or termination of

investment managers and the authority to instruct our client's custodian to transfer funds to effect that investment. Our discretionary authority to act on behalf of a client is described in the discretionary Investment Management Agreement between the Firm and our client or, for our SIFs, in the limited partnership agreement or its equivalent. We manage discretionary portfolios in line with clients' investment guidelines and restrictions agreed upon in advance, and we have established pre- and post-trade compliance procedures for discretionary portfolios to help ensure consistency with client guidelines and Firm policies.

### ***Trade Errors***

The Firm has adopted written policies and procedures to address trade errors where the Firm has investment discretion. The Firm's policy is to expeditiously resolve trade errors in a fair and equitable manner. Not all errors are considered compensable. Errors are evaluated by the Firm's Chief Compliance Officer on a case-by-case basis and in consultation with other relevant parties to determine whether the error caused a loss in a client's account as a result of our failure to meet the applicable standard of care agreed upon with a client. Regardless of whether an error is determined to be compensable, we will promptly notify a client of an error resulting in a loss and the proposed resolution. We do not, however, typically notify clients of trade errors that do not result in a loss.

### **Item 17 - Voting Client Securities**

For non-discretionary relationships, the Firm typically does not have authority to vote proxies on behalf of our clients. Furthermore, because our clients generally invest through private funds rather than in individual securities, they are rarely solicited to vote proxies. The managers of those funds, to the extent they invest in equity securities, generally will have proxy voting authority and will vote portfolio securities in accordance with their own proxy voting policies.

In cases where we have been delegated proxy voting authority, we seek to vote our client's securities in the economic best interests of that client. We generally vote with management on routine matters, evaluate non-routine matters in the context of the specific interests of the account or client that beneficially owns the security and abstain on social matters unless a direct economic benefit is tied to the proposal. Clients that have delegated voting authority to us may impose additional guidelines or policies relating to the way their securities are voted. As such it is possible that we may vote securities differently from client to client depending on the specific circumstances of the investment mandate. If we identify a potential material conflict between our interests and those of a client with respect to a proxy solicitation, we will vote only in accordance with a client's interest and/or instructions.

When the Firm does not have voting authority, clients may receive proxy solicitations directly from the issuer, from their custodian, from a transfer agent or, in some cases, from us. Upon request, we will provide our advisory clients guidance regarding these proxy solicitations. Questions about particular solicitations should be directed to a client's investment team.

Upon request, we will provide clients with copies of our proxy voting policies and will inform those clients for whom we have proxy voting authority how we voted on their behalf.

#### **Item 18 - Financial Information**

The Cambridge Associates Limited, LLC and Subsidiary Consolidated Balance Sheet is attached.