

VALLEY FORGE CAPITAL

VALLEY FORGE CAPITAL MANAGEMENT, LP

PART 2A OF FORM ADV: FIRM BROCHURE

Valley Forge Capital Management, LP
435 Devon Park Drive
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This brochure provides information about the qualifications and business practices of Valley Forge Capital Management, LP (“Valley Forge” or the “Firm”). If you have any questions about the contents of this brochure, please contact Valley Forge’s Chief Compliance Officer, Cindy Lewis, at 610-977-7604 or clewis@valleyforgecapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to Valley Forge as a registered investment adviser does not imply a certain level of skill or training.

Additional information about Valley Forge is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Valley Forge has amended this brochure to reflect the following material change:

- The Chief Compliance Officer has changed. The Chief Compliance Officer is now Cindy Lewis.

Since the Firm's last Form ADV Amendment filed on May 29, 2020, there have been no other material changes.

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Item 4: Advisory Business

Item 4.A.

Valley Forge Capital Management, LP (“**Valley Forge**” or the “**Firm**”), a Delaware limited partnership, formerly known as Valley Forge Advisors, LP, is the successor entity to Valley Forge Advisors, LLC. Valley Forge commenced operations as an investment manager in August 2009. Valley Forge’s principal place of business is in Wayne, Pennsylvania.

Listed below are the Firm’s principal owners (i.e., those individuals and/or entities controlling 25% or more of the Firm):

- Devang Kantesaria (through direct and indirect ownership)
- The 2012 Devang V. Kantesaria Family Trust

It should be noted that the Devang Kantesaria (the “**Principal**”) retains voting control of the Firm.

Item 4.B.

Valley Forge is an investment management firm that provides advisory services on a discretionary basis to a privately offered pooled investment vehicle, which is intended for investment by certain investors that are accredited investors under Rule 501 of Regulation D of the Securities Act of 1933, as amended, so as to comply with the exemptions under Section 3(c)(1) of the Investment Company Act of 1940, as amended.

Valley Forge’s sole client is Valley Forge Capital, LP (the “**Fund**”), a Delaware limited partnership. Valley Forge Management, LLC (the “**General Partner**”), a Delaware limited liability company, is the general partner of the Fund.

The investment objective of the Fund is to outperform the S&P 500 Index over a multi-year timeframe through the selection of companies that the Firm believes are trading at a large discount (in the case of long equity positions) or premiums (in the case of short equity positions) to their intrinsic value. To achieve this objective, Valley Forge invests in both long and short positions consisting primarily, but not solely, of equities and equity-related instruments including options and warrants. As discussed in the relevant offering documents, Valley Forge may also invest in other types of securities and may engage in other investment strategies so long as doing so does not interfere with achieving the stated and agreed upon investment objective.

Valley Forge does not limit its investment advice to only certain types of investments.

Item 4.C.

The Firm’s advisory services are provided to its client, the Fund, pursuant to the terms of the Fund’s relevant offering documents and based on the specific investment objectives and strategies as disclosed in the offering documents. The advisory services the Fund receives are tailored to meet the specified investment objectives and strategies as set forth in the Fund’s offering documents. The Fund may impose restrictions on investing in certain types of securities in accordance with achieving its investment objectives and strategies.

Item 4.D.

Not applicable. Valley Forge does not participate in a wrap fee program.

Item 4.E.

As of December 31, 2019, Valley Forge manages approximately \$543,453,598 in regulatory assets under management on a fully discretionary basis, as described in the Fund's offering documents. Valley Forge does not manage any of its clients' assets on a non-discretionary basis.

Item 5: Fees and Compensation

Item 5.A.*Management Fee*

Pursuant to the advisory agreement (the “**Advisory Agreement**”) between Valley Forge and the Fund, the Fund pays a monthly management fee (the “**Management Fee**”) to Valley Forge, in its capacity as investment manager. The Management Fee is generally equal to 1.00% annualized. The Management Fee is paid in advance at the beginning of each month. If an investor is admitted to the Fund other than at the beginning of a month, that investor will pay a pro rata portion of the Management Fee for the number of days remaining in the month. The Firm may, in its sole discretion, elect to reduce or waive the Management Fee with respect to any investor.

Incentive Allocation

The General Partner is generally entitled to a performance allocation equal to 20% of the annual increase, if any, in the net asset value of each limited partner's capital account in the Fund. The performance allocation is calculated based on both realized gains and losses and unrealized appreciation and depreciation of securities held in the Fund's portfolio. Generally, any decrease in the net asset value in a fiscal year allocated to any limited partner's capital account is carried forward in a “loss carryforward provision” so that no performance allocation is charged to that capital account unless the losses have been recouped. The performance allocation, if any, is determined at the end of each fiscal year and at the time of each withdrawal from the Fund. The General Partner may, in its sole discretion, elect to reduce or waive the performance allocation with respect to the capital accounts of any limited partner.

Item 5.B.

Valley Forge instructs the custodian to deduct Management Fees from the Fund's account. Fees are collected at the frequency described in Item 5.A.

Item 5.C.

The Firm bears all of its own operational expenses incurred in connection with the provision by it of investment management services to the Fund and provides to the Fund office space and utilities, operational services, and secretarial, clerical and other personnel, in each case except to the extent provided through “soft dollars” generated by the Fund (provided that any “soft dollars” will be within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended). The Management Fee may exceed the expenses borne by the Firm on behalf of the Fund.

The Fund bears its own operational and other expenses, including, without limitation, the Management Fee, costs and expenses incurred in connection with the offer and sale of interests, regulatory filings and reporting, investment-related expenses (e.g., expenses that the Firm reasonably determines to be related to the investment of the Fund's assets, such as fees to prime brokers, brokerage commissions, clearing and settlement charges, custodial fees, wire transfer charges, ticket charges, interest expense, consulting and other professional fees relating to particular investments or contemplated investments), professional fees relating to investments (including, without limitation, fees and expenses of consultants and experts), investment-related travel and lodging expenses and research-related expenses, including, without limitation, quotation equipment and services, expenses relating to third party providers of risk management services for the Fund's portfolio, legal expenses, internal and external accounting, audit fees, tax structure and preparation expenses, organizational expenses, premiums for insurance (if any), fees and expenses of the Fund's administrator, expenses related to the maintenance of the Fund's registered office, franchise taxes, corporate licensing, extraordinary expenses and other reasonable expenses related to the Fund. Such expenses are shared by all of the partners, including the General Partner. Expenses are generally accrued and allocated monthly.

Brokerage practices are specifically discussed in Item 12.

Item 5.D.

As discussed in Item 5.A., the Management Fee is generally payable monthly.

Item 5.E.

Not Applicable. Neither Valley Forge, nor any of its supervised persons, are compensated for the sale of securities or other investment products or mutual funds. Additionally, Valley Forge does not charge its clients advisory fees over and above commissions or markup fees for the purchase and sale of securities for client portfolios.

Item 6: Performance-Based Fees and Side-by-Side Management

Please see response to Item 5.A. Valley Forge understands that there exist certain potential conflicts of interest associated with the presence of a performance-based fee. Such a fee may create an incentive for the Firm to cause the Fund to make investments that are riskier or more speculative than would be the case if there were no performance-based fee. However, Valley Forge manages the Fund in accordance with its investment strategy and any restrictions set forth in the Fund's organizational documents so that investors in the Fund are aware of the applicable investment strategy, restrictions, and risks. Additionally, Valley Forge has adopted a Code of Ethics that addresses potential conflicts of interests and requires, in any situation where the interests of Valley Forge's clients are at stake, the client should be treated fairly and have priority over the economic interests of employees or the Firm. Valley Forge currently provides investment management services to a single client, the Fund. No conflict exists whereby a client with a performance-based fee is managed side-by-side with another client.

Item 7: Types of Clients

The Firm's sole client is the Fund, a privately offered pooled investment vehicle, which is intended for investment by certain investors that are accredited investors as defined under federal securities law. The respective minimum initial and subsequent subscription amounts are detailed within the Fund's offering

documents. The Firm may, in its sole discretion, elect to reduce or waive the minimum thresholds for subscription amounts with respect to any investor.

The Firm can but does not currently provide discretionary investment advisory services to managed accounts. Managed accounts may be set up for certain large or strategic investors, at the Firm's sole discretion, and will be subject to individually negotiated terms.

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

Item 8.A.

The investment objective is discussed in response to Item 4.B. Investment in the Fund involves significant risks and is suitable only for investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. There can be no assurance that the Fund will achieve its investment objectives. Investment in the Fund carries with it the inherent risks associated with investments in equities and equity-related securities and the use of leverage and short sales. Each prospective investor should carefully review the Firm's offering documents and the agreements referred to therein prior to deciding to invest in the Fund.

Items 8.B. and 8.C.

Nature of Investments. Valley Forge has broad discretion in making investments for the Fund. Investments will generally consist of equity securities, equity-related instruments and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that Valley Forge will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of its investments. In addition, the value of the Fund's portfolios may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Fund's investment objective will be achieved.

Equity-Related Instruments in General. Valley Forge may use equity-related instruments in its investment program. Certain options, warrants and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Use of Leverage. The Fund may utilize leverage, which results in the Fund controlling substantially more assets than the Fund has equity. Leverage increases the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than the Fund's cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unstable credit environment, Valley Forge may find it difficult or impossible to obtain leverage for the Fund. In such event, Valley Forge could find it difficult to implement the Fund's strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Valley Forge being forced to unwind positions quickly and at prices below what Valley Forge deems to be fair value for the positions.

Portfolio Turnover. The investment strategy of the Fund may require Valley Forge to actively trade the Fund's portfolio, and as a result, turnover and brokerage commission expenses of the Fund may significantly exceed those of other investment entities of comparable size.

Small Capitalization Companies. The Fund may invest a portion or all of its assets in equities and equity-related instruments of companies with small market capitalizations. While Valley Forge believes these investments often provide significant potential for appreciation, they generally carry higher risks than investments in larger companies. For example, share prices of smaller companies are often more volatile than share prices of larger companies. In addition, smaller companies may be more illiquid than larger companies due to thin trading.

Non-U.S. Securities. Investing in securities of non-U.S. governments and equities and equity-related instruments such as options and warrants of non-U.S. companies involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Special Situations. The Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment involving such a special situation, there exists the risk that the contemplated transaction will either be unsuccessful, take considerable time or result in a distribution of cash or a new security, the value of which will be less than the cost basis of the original security or other financial instrument for which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, the Fund could suffer substantial losses when investing in these situations.

Lack of Diversification. The Fund's portfolio may not be widely diversified among sectors, industries, geographic areas or types of securities. Furthermore, the Fund's portfolio may not necessarily be diversified among a wide range of issuers. Accordingly, the Fund's portfolio may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wide diversification among companies or industry groups.

Convergence Risk. The Fund may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying the Fund's trading positions were to fail to converge toward, or were to diverge further from, Valley Forge's expectations, the Fund may incur a loss.

Options. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Futures Trading. Futures prices are highly volatile, with price movements being influenced by a multitude of factors such as supply and demand relationships, government trade, fiscal, monetary and exchange control policies, political and economic events and sentiment in the marketplace. Futures trading is also highly leveraged. Furthermore, futures trading may be illiquid as a result of daily limits on movements of prices. Finally, the Fund's futures trading could be adversely affected by speculative position limits.

Derivatives. To the extent that the Fund invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Fund, and hence the Fund should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or timing problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

Short Sales. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Fund's portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Custody: The Fund's assets may be settled or held by custodians or prime brokers. There are risks involved in dealing with prime brokers or custodians who settle trades. There is no guarantee that the prime brokers and/or the custodians that the Fund may use from time to time will not become bankrupt or insolvent. In the event of bankruptcy, insolvency, failure, or liquidation of a custodian or prime broker of the Fund, the Fund may incur losses due to its assets being unavailable for a period of time, the receipt of less than full recovery of its assets, or both. The prime brokers and/or the custodians used by the Fund may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Fund. The prime brokers and/or custodians may not be responsible for cash or assets held by sub-custodians in certain non-U.S. jurisdictions, or for any losses suffered by the Fund as a result of the bankruptcy or insolvency of any such sub-custodian. The Fund may therefore have potential exposure to the default of any sub-custodian. The Fund's assets may be pledged as collateral for leverage and/or rehypothecated. In these cases the Fund is exposed to counterparty and credit risk with regard to the custodian or prime broker who holds the Fund's collateral. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is transaction and custody risk dealing in certain non-U.S. jurisdictions.

Side Letters: The Fund may enter into agreements or side letters with certain existing or prospective investors whereby such investors are subject to terms and conditions that are different than those that are offered or available to other investors. For example, such terms and conditions may provide for special redemption rights, relating to frequency or notice; a reduction in fees or redemption charges to be paid by the investor and/or other terms; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Fund and such investors. The modifications are solely at the discretion of the Fund and may, among other things, be based on the size of the investor's investment in the Fund, an agreement by an investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an investor to the Fund.

Key Employee: The Principal has primary responsibility for all investment and trading decisions on behalf of the Fund. If for any reason the Principal ceases to participate in the operations of Valley Forge, the Firm's ability to select attractive investments and manage the Fund could be severely impaired.

Cybersecurity: The Firm's business involves the processing, storage and use of large quantities of data including personally identifiable information of investors and information about the Fund's underlying investments. Valley Forge has established basic procedures designed to protect this information from loss or theft. Despite the various protections Valley Forge has put in place, the Firm's systems, networks and devices are potentially susceptible to breach, damage or interruption. Information and technology systems used by Valley Forge, the Fund and its third party service providers are vulnerable to, among other things, damage or interruption from computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons, security breaches, usage errors and power outages. Any systems failure or cybersecurity breach affecting Valley Forge, the Fund and its third party service providers could cause disruption to business operations, including limiting the Fund's ability to trade or transact business with other service providers, damage and disruption to hardware and software systems, loss or corruption of data and/or the release or misappropriation of investors' personal identifying information and other confidential information. Such outcomes may lead to financial losses, liability under applicable law, regulatory intervention and/or reputational damage.

Item 9: Disciplinary Information

Items 9.A., 9.B., and 9.C.

Not Applicable.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Not Applicable. Valley Forge is currently not applying to register as a broker-dealer and does not intend to do so.

Item 10.B.

Valley Forge and its management persons are not registered, and have not applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or associated persons of a futures commission merchant.

Item 10.C.

Valley Forge Management, LLC serves as the General Partner of the Fund.

Item 10.D.

Not Applicable. Valley Forge does not recommend or select other investment advisers for its clients.

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

Item 11.A.

Valley Forge has adopted a Code of Ethics (the “**Code**”) that states the requirements of the Firm, its employees, and any related persons, in fulfilling their fiduciary duty to the Fund. The Code requires all employees to act at all times in an honest and ethical manner and with the highest integrity in all dealings with clients and place the interests of the Fund ahead of those of the Firm, its employees, and/or any related persons at all times. Any exceptions to the below policies require the prior approval of the Chief Compliance Officer. Additionally, any violations of the Firm’s Code of Ethics are required to be reported to the Chief Compliance Officer for documentation and remediation.

As outlined in the Code, the Firm’s personnel, including directors, officers, partners, other persons occupying a similar status or performing similar functions and employees are permitted to maintain personal trading accounts subject to the following supervision: all personal accounts must adhere to the disclosure requirements and restrictions stated in the Code, which require personnel to disclose any and all personal reportable securities on an initial and annual basis, request pre-approval for any personal trades in certain securities, and provide to the Chief Compliance Officer, on a quarterly basis, personal transactions in reportable securities.

Additionally, the Code details: (i) a statement of the standard of business conduct; (ii) restrictions and reporting requirements regarding the giving or receiving of gifts and/or entertainment to and/or from, among others, current or prospective investors, government officials and union officials, by any of the Firm’s personnel; (iii) restrictions and reporting requirements related to political contributions; and, (iv) the requirement for all employees to acknowledge, in writing, having received and read a copy of the Code.

Any exceptions to the above guidelines need prior approval of the Chief Compliance Officer.

A copy of the Code is available to clients or investors and prospective clients or investors upon their individual request.

Items 11.B., 11.C., and 11.D.

Valley Forge does not engage in principal transactions. Valley Forge, as a fiduciary, endeavors to always make decisions in the best interests of its clients if conflicts of interest arise. Employees of Valley Forge are prohibited from using their knowledge of Fund transactions to cause any non-Fund account to profit from the market effect of such transactions or give such information to a third party who may so profit. Valley Forge may restrict personal trading by employees or related persons in any circumstances where Valley Forge considers it to be in the best interests of the Firm and/or its clients. Valley Forge may also reverse, cancel, or freeze any transaction or position in an account of an employee or related person that in its discretion it believes is inconsistent with the Code.

Item 12: Brokerage Practices

Item 12.A.1.

Valley Forge retains full discretion to determine the broker or dealer to be used for each securities transaction for Fund accounts and seeks to obtain best execution for its clients by placing orders for the purchase and sale of securities with brokers and dealers based on the Firm’s evaluation of the ability of the broker or dealer to execute orders in a prompt and effective manner as well as consider such factors as,

including but not limited to, the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. There may be instances when, in the judgment of the Firm, more than one broker or dealer is able to offer comparable brokerage services to the Fund. In selecting among such brokers or dealers, consideration may be given to those brokers or dealers that provide research services to the Fund, the Firm, and any of the Firm's affiliates. However, while it is not the policy of the Firm to pay higher commissions to a broker for receiving such services, it is possible that transaction costs may be higher than if the Firm was not receiving products or services from a broker.

Valley Forge can use soft dollars but has chosen not to do so to date. Research and brokerage services obtained by the use of commissions arising from the Fund's portfolio transactions may be used by Valley Forge in its other investment activities and thus, the Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. The Fund may be deemed to be paying for this research and other services with "soft" or commission dollars generated by Fund transactions. These "soft dollar" commissions may be used by Valley Forge to pay for research and brokerage services that provide lawful and appropriate assistance to Valley Forge in carrying out its investment decision-making responsibilities, as permitted under the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended ("**Section 28(e)**"). Consistent with Valley Forge's offering documents, the Firm may choose to direct the brokerage transactions of the Fund to brokers in order to obtain research services, some of which are described below.

Research services furnished by brokers may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services.

Brokerage services furnished by brokers may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirmations or trade affirmations.

Item 12.A.2.

Valley Forge does not participate in selecting or recommending broker-dealers in exchange for client referrals.

Item 12.A.3.

Not Applicable. Valley Forge does not recommend, request or require that a client direct the Firm to execute transactions through a specified broker-dealer.

Item 12.B.

Valley Forge currently serves only one client, the Fund; therefore an aggregation and allocation policy is currently not applicable. However, in the event that Valley Forge takes on additional clients and should Valley Forge purchase securities for more than one account, the Firm will aggregate orders in such a way that all clients are treated as fairly and equitably as reasonably practicable. The appropriate brokers are selected consistent with the Firm's duty to obtain best execution.

Item 13: Review of Accounts

Items 13.A. and 13.B.

The Principal and Chief Financial Officer review the Fund's portfolio on at least a monthly basis or more frequently as circumstances warrant for adherence to the Fund's investment objectives. The Chief Compliance Officer will also review the Fund's assets monthly or more frequently as circumstances warrant. The Principal and Chief Financial Officer will review the values of the securities held by the Fund on a monthly basis. Additionally, Valley Forge periodically reviews the Firm's brokerage and valuation practices and investment program and objectives.

The Fund's Administrator, an independent third party, reconciles cash and security positions on at least a monthly basis to information received from the Fund's prime brokers and custodians. Valley Forge reconciles the Fund's portfolio to the Administrator's financial statements and prime broker and custodian records on a monthly basis. The Principal and Chief Financial Officer perform this oversight function.

Circumstances that may warrant or trigger more frequent reviews would include, but are not limited to, errors detected in trading activity reports or inaccurate fee calculations.

Item 13.C.

The Fund's Administrator provides monthly statements to investors that include the unaudited capital account balance of the investor's interest in the Fund, net profit/loss and year-to-date performance, as applicable. Valley Forge delivers to investors an unaudited investor letter on a quarterly basis and audited financial statements (prepared using U.S. GAAP) on an annual basis.

Item 14: Client Referrals and Other Compensation

Item 14.A.

As noted in the response to Item 12, Valley Forge may receive certain research and brokerage products or services from broker-dealers through soft dollar arrangements. As such, the Fund may benefit from research services acquired by the Firm as a result of the brokerage transactions of the applicable client. Please see Item 12 for further information on the Firm's soft dollar practices, including the Firm's procedures for addressing conflicts of interest that arise from such practices.

Additionally, Valley Forge does not receive a direct economic benefit from any third party for providing investment advice or other advisory services to the Fund or related to the selection or recommendation of broker-dealers.

Item 14.B.

The Firm currently does not maintain any referral arrangements with individuals or entities that may be compensated, directly or indirectly.

Item 15: Custody

Given that Valley Forge acts as investment adviser to the Fund, the Firm may be deemed to have custody of certain client assets under current applicable regulatory interpretations. As such, and as is required by the safekeeping requirement in Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, all assets of the Fund are held by qualified custodians. On an annual basis, Valley Forge delivers to the Fund's investors audited financial statements within 120 days of fiscal year-end.

Item 16: Investment Discretion

Valley Forge accepts discretionary authority to manage securities accounts on behalf of clients and therefore, determine which securities and the amounts of securities it buys and sells for clients. This authority has been granted to Valley Forge by means of the execution of the relevant organizational and/or advisory agreements (e.g., Investment Advisory Agreement) that set forth the scope of the Firm's discretion with respect to the Fund.

Item 17: Voting Client Securities

Item 17.A.

Valley Forge has voting authority due to the fact that it has discretionary authority over the securities held by its clients and accordingly, the Firm understands its fiduciary responsibility to monitor corporate events and to vote proxies and cast votes in the best economic interests of its clients and not put client interests second to its own economic interests. Valley Forge has established written policies and procedures to identify and address material conflicts of interest related to voting proxies.

Valley Forge may choose not to submit proxy votes depending on the circumstances. Valley Forge will generally vote with managements' recommendations on routine matters.

Clients are not permitted to direct the Firm's vote in a particular proxy solicitation.

Clients may obtain information regarding how Valley Forge voted its securities by requesting records of the Chief Compliance Officer, who is responsible for retaining all records related to proxy voting. Additionally, clients may obtain a copy of the Firm's Proxy Voting Policies and Procedures, which are included in the Firm's Compliance Manual, upon request of the Chief Compliance Officer.

Item 17.B.

Not Applicable; see response to Item 17.A. Valley Forge has authority to vote client securities.

Item 18: Financial Information

Item 18.A.

Not Applicable. Valley Forge does not require or solicit pre-payment of more than \$1,200 in fees per client, six months or more in advance.

Item 18.B.

Valley Forge is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

Item 18.C.

Not Applicable. Valley Forge has not been the subject of a bankruptcy petition at any time during the past ten years.
