

**Banbury Partners LLC**

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This brochure provides information about the qualifications and business practices of Banbury Partners LLC. If you have any questions about the contents of this brochure, please contact Banbury Partners LLC's Chief Compliance Officer, Alexis Campos, at (704) 672-0814 or by email at [alexis@banburypartners.com](mailto:alexis@banburypartners.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 Banbury Partners LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any reference to Banbury Partners LLC as a "registered investment adviser" or as being "registered" does not imply a certain level of skill or training.

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**Item 2 - Material Changes**

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Since the previous annual updating amendment filed on March 21, 2019, Banbury Partners LLC has appointed Alexis Campos as its new Chief Financial Officer and Chief Compliance Officer effective March 2020. In addition, Banbury Partners LLC has also updated the Chief Compliance Officer's telephone number, which is reflected in this brochure. There are no additional material changes to report.

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**Item 4 - Advisory Business**

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Banbury Partners LLC (“Banbury”) is a Delaware limited liability company that was formed in March 2014. Banbury and Banbury GP LLC are owned (directly or through an intermediary) by Clay Baker Burleson and Edward “Stormy” Scott (together, the “Managing Members”). Banbury provides discretionary investment advisory services to private funds (the “Funds”) and separately managed accounts (the “Managed Accounts”). Unless clearly suggested otherwise, the Funds and Managed Accounts are collectively referred to herein as the “Clients”.

Banbury provides discretionary investment management services to its Clients pursuant to investment guidelines within the relevant governing documents, offerings documents and/or investment management agreements.

Banbury does not tailor its services to the individual Fund investors or provide investors with the right to specify, restrict, or influence the Funds’ investment objectives or any investment or trading decisions. Under certain circumstances, Banbury may contract with a separately managed account Client to adhere to limited risk and/or operating guidelines imposed by that Client. Banbury negotiates such arrangements on a case-by-case basis.

Banbury does not participate in wrap fee programs.

As of December 31, 2019, Banbury has approximately \$690 million in regulatory assets under management, all of which are managed on a discretionary basis. Banbury does not manage any assets on a non-discretionary basis.

**Item 5 - Fees and Compensation**

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Banbury’s fees and compensation are described in the advisory contracts with its Clients. All of Banbury’s Clients are “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “1940 Act”).

Management fees are generally paid by the Funds monthly in advance, and are refundable if the advisory contract is cancelled prior to the end of a payment period. Management fees for the Managed Accounts are deducted at times agreed upon with such Clients and may be refunded if the advisory contract is cancelled prior to the end of a payment period, depending upon the terms of the agreement with each such Client.

Generally, Banbury or its affiliates receive performance-based fees or allocations from Client accounts on an annual basis in arrears and upon redemptions by investors.

Banbury will render its services to the Funds at its own expense, including all of its ordinary office overhead expenses, which include rent, supplies, secretarial/internal administrative expenses, stationery, charges for furniture and fixtures, salaries and bonuses, employee insurance and payroll taxes.

All other expenses will be borne by the Funds, including Fund organizational expenses, the fees paid to Banbury, fees and expenses of Fund directors (as applicable), fees paid to any proxy agent, legal, accounting, auditing and other professional expenses, Fund-related insurance costs (including the majority of Banbury’s Directors’ and Officers’ liability insurance), administration expenses and fees, research expenses (including research-related travel expenses for personnel other than the Managing Members), investment expenses (such as commissions (see *Item 12 “Brokerage Practices”* below), expenses attributable to regulatory filings which are made with respect to the Funds or assets of the Funds (including Form PF

filings, Section 13 and Section 16 filings), interest on margin accounts and other indebtedness), custodial fees, bank service fees, expenses related to obtaining and maintaining order management and similar systems and other expenses related to the purchase, holding, sale or transmittal of the Funds' assets.

The expenses that are charged to the Managed Accounts are determined on a case-by-case basis.

Banbury may also allocate a portion of certain Clients' capital to money market funds or exchange-traded funds. In addition to the fees and expenses discussed above, Clients will indirectly incur similar fees and expenses if Banbury invests their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

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

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Banbury or its affiliates receive performance-based compensation from Clients, which will be based on a percentage of capital appreciation of their assets.

The terms of the performance-based compensation can differ among the Clients. This may result in a conflict of interest when allocating opportunities among Clients, as Banbury may have an incentive to favor Clients that have higher performance-based compensation. To avoid such a conflict of interest, Banbury will generally follow documented procedures for allocating opportunities among Clients, which will not take into account the performance-based compensation to which such accounts are subject (*see below*).

As management fees and performance-based compensation will be based directly on Clients' net asset values, Banbury may have a conflict of interest in valuing the assets held in Client accounts. Banbury will follow documented valuation policies and consult with each Client's third-party administrator, as applicable, in order to mitigate this risk.

Banbury has the ability to buy or sell securities for one Client account at the same time that Banbury buys or sells the same security for one or more other Client accounts. This will typically happen when more than one Client account is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. This may create a conflict of interest if one account may benefit from making the trade before or after the other account.

It is Banbury's general policy to trade the portfolios of all Clients on a *pari passu* basis based on relative capital and account specific leverage. However, allocations may be made on a basis other than *pro rata* for a number of reasons, including, but not limited to, a Client's investment guidelines and restrictions, portfolio rebalancing, capital activity, changes in targeted leverage, available cash, liquidity requirements, tax or legal reasons, to avoid odd lots, or in cases in which such an allocation would result in a *de minimis* allocation to a Client. Banbury is not obligated to purchase or sell for each Client every security which Banbury may purchase or sell for other Clients if such a transaction or investment appears unsuitable, impractical or undesirable for a Client; *provided* that Banbury, to the extent within its control, may not favor itself in any way to a Client's detriment and will act in a manner that over the long term is fair and equitable to all of its Clients.

New issues (as defined by Rule 5130 of the Financial Industry Regulatory Authority, Inc.) are allocated to Client accounts in accordance with the criteria set forth above.

**Item 7 - Types of Clients**

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Banbury provides investment advice to the Clients as defined in Item 4 above. Investors in the Funds are generally institutional investors and high net worth individuals that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and “qualified purchasers” (as defined under the 1940 Act). The minimum initial investment in the Funds is generally \$1 million, subject to Banbury’s discretion to accept lesser amounts. Banbury will determine the minimum investment for a Managed Account on a case-by-case basis.

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

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***Investment Strategy***

Banbury seeks to achieve superior long-term capital appreciation by taking both long and short positions in publicly traded equities on a global basis, with an emphasis on the United States and other fully-developed economies.

In pursuing its objective, Banbury intends to employ a deep, fundamental, bottom-up research process to construct a reasonably concentrated portfolio of “best ideas” expected to outperform the broader markets over a two to three year period.

Banbury views a deep fundamental research process as critical to investment success. Each new investment idea is subjected to a two-step process. The first stage of this process employs a regimented and checklist-driven approach, designed to determine whether the investment idea is worth advancing to the more detailed and time intensive second stage. During the second step of its research process, Banbury examines the business in detail, with heavy focus on creative primary research intended to identify, quantify and prove variant perception from the market.

Banbury believes that it can apply this research process across nearly every industry, geography, market capitalization and investment style (from “value” to “growth”). Banbury will utilize this research process to construct a portfolio of both long investments and short positions.

Banbury expects to construct a reasonably concentrated portfolio reflecting a limited number of “best ideas” and will seek to maintain a reasonably stable net exposure.

Banbury will monitor key aspects of the portfolio in an effort to reduce cross-correlations in the portfolio. Banbury intends to avoid excessive concentrations of net exposure in individual industries or geographies.

Banbury reserves the right to formulate new strategies to carry out the overall investment objective of its Clients. In order to maintain flexibility and to capitalize on investment opportunities as they arise, Clients are not required to invest any particular percentage of their portfolios in any type of investment or region, and the amount of each Client’s portfolio which is invested in any type of investment, which is long or short, or which is weighted in different countries or different sectors can change at any time based on the availability of attractive market opportunities.

While Banbury intends to invest primarily in publicly traded equities, it has broad and flexible investment authority. Accordingly, Client assets may at any time include long or short positions in publicly traded common stocks, preferred stocks, stock warrants and rights, bonds, notes or other debentures, options, swaps and other derivative instruments, financial and commodity futures, commodity contracts and other securities or financial instruments,

including those of investment companies. Banbury does not intend to make private investments or buy securities for which there is no public market, although from time to time an investment in a particular publicly traded security may be or become thinly traded or become illiquid.

### ***Risk of Loss***

Banbury's investment strategy involves significant risks. A discussion of certain material risks is provided below. For a more complete list of expected risk factors, prospective Fund investors are urged to review each Fund's offering documents.

**Market Risks.** The profitability of a significant portion of the Clients' investment program depends to a great extent upon Banbury's ability to correctly assess the future course of the price movements of securities and other investments. There can be no assurance that Banbury will be able to predict accurately these price movements. Although Banbury may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some degree of market risk.

**Dependence on Key Management Personnel.** The success of Banbury's Clients will be highly dependent on the financial and managerial expertise and skill of Banbury's team of investment professionals, including the Managing Members. There is no assurance that the Managing Members or other key members of management of Banbury will continue to be employed by Banbury for any period. The loss of one or more key individuals of Banbury could have a material adverse effect on the performance of the Clients.

**Nature of Investments.** Banbury has broad discretion in making Client investments. Investments generally will consist of global equity securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that Banbury 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, and the prospects of particular companies selected by Banbury for investment, may significantly affect the results of the Clients' activities and the value of their investments. In addition, the value of each Client's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Clients' investment objectives will be achieved.

**Non-Diversification.** While each Client's portfolio generally will contain a number of both long and short positions, each Client is expected to be invested primarily in a relatively concentrated portfolio of equity securities. Banbury anticipates that each Client will primarily invest in the equity securities of issuers located in the United States and other fully-developed economies (as judged by Banbury). While Banbury intends to avoid excessive concentration of net exposure in individual industries or geographies on behalf of each Client, a Client's portfolio could become relatively concentrated in any one issuer, market capitalization, industry, type of security and geographic area, and such concentration may increase the losses suffered by the Client as the investment portfolio of the Client may be subject to more rapid change in value than would be the case if the Client were required to maintain a wider diversification among issuers, market capitalizations, industries, types of securities and geographic areas.

**Short Sales.** Short selling, or the sale of securities not owned by a Client, necessarily involves certain additional risks. Such transactions could expose Clients to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and in the case of equities, without effective limit. There is the risk that the securities borrowed by a Client in connection with a short sale would need to be returned to the securities lender on short

notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein the Client might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

*Non-U.S. Securities.* Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities 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, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, greater difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

*Currency Risks.* Client investments that are denominated in non-U.S. currencies are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. From time to time, Banbury may try to hedge these risks by investing in currencies and options thereon, forward currency exchange contracts, or any combination thereof, but there can be no assurance that such strategies will be implemented or, if implemented, will be effective.

*High Growth Industry Related Risks.* Clients may invest in certain high-growth companies. These high-growth companies may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which the Clients invest could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many high growth companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which a Client invests. Conversely, other companies may make infringement claims against a company in which a Client invests, which could have a material adverse effect on such company.

The markets in which many high growth companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which a Client invests will successfully penetrate their markets or establish or maintain competitive advantages.



*Small to Medium Cap Stocks.* Banbury has the ability to invest in the stocks of companies with small to medium sized market capitalizations. While Banbury believes these companies often provide significant potential for appreciation, such companies, particularly smaller capitalization companies, involve higher risks in some respects than do investments in larger companies. For example, prices of such securities are often more volatile than prices of large capitalization securities. In addition, due to thin trading in some such securities, an investment in these securities may be more illiquid than that of larger capitalization securities. Moreover, such companies may lack management depth or the ability to generate the funds necessary for growth.

*Leverage.* While the use of certain forms of leverage, including margin borrowing, structured products or derivative instruments, can substantially improve the return on invested capital, such use may also increase the adverse impact to which a Client's portfolio may be subject.

Clients will generally obtain their borrowings from securities brokers and dealers and typically will secure those borrowings with their securities and other assets. Under certain circumstances, a broker-dealer providing financing to a Client may demand an increase in the collateral that secures the Client's obligations and if the Client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy a Client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of a Client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Client's profitability.

Depending on conditions in the credit environment at any given time, Banbury may find it difficult or impossible to obtain leverage for a Client, thereby making it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Banbury being forced to unwind positions quickly and at prices below what Banbury deems to be fair value for the positions.

*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 asset for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying asset will not change price in the manner expected, so that the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying asset rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

*Commodities and Futures Contracts.* Futures markets are highly volatile. The low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and a Client may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the funds to substantial losses. Investing in futures contracts, options or commodities is a highly specialized investment activity entailing greater than ordinary investment risks.

Counterparty Risk. To the extent that a Client invests in swaps, “synthetic” or derivative instruments, repurchase agreements, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Client takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, 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.

Custody and Prime Brokerage Risk. There are risks involved in dealing with the custodians or prime brokers that settle Client trades. Although Banbury monitors the prime brokers that custody Client assets, there is no guarantee that such prime brokers, or any other custodians that Clients may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code, as amended, and the U.S. Securities Investor Protection Act of 1970, as amended, seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Client assets, the Client would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

Clients and/or prime brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold Client assets. Prime brokers may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, or for any losses suffered by a Client as a result of the bankruptcy or insolvency of any such sub-custodian. Clients may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to Clients. Under certain circumstances, including certain transactions where a Client’s assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of a prime brokers, or where a Client’s assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of a Client and hence the Client could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of a Client to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the Client may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing a Client’s rights to its assets in the case of a bankruptcy or insolvency of any such party.

Hedging Transactions. Each Client may utilize financial instruments, both for investment purposes and for risk management purposes: (i) in order to protect against possible changes in the market value of its investment portfolio resulting from fluctuations in the securities markets and changes in interest rates, (ii) in order to protect the Client’s unrealized gains in the value of its investment portfolio, (iii) in order to facilitate the sale of any such investments, (iv) in order to enhance or preserve returns, spreads or gains on any investment in the Client’s portfolio, (v) in order to hedge the interest rate or currency exchange rate on any of the Client’s liabilities or assets, (vi) in order to protect against any increase in the price of any securities the Client anticipates purchasing at a later date or (vii) for any other reason that Banbury deems appropriate.

The success of the hedging strategy of each Client will be subject to Banbury's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Client's hedging strategy will also be subject to Banbury's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

While Clients may enter into hedging transactions to seek to reduce risk, they will not be required to do so. In addition, to the extent hedging transactions are used, such transactions may result in a poorer overall performance for a Client than if it had not engaged in any such hedging transactions. For a variety of reasons (e.g., cost and probability of occurrence of risk), Banbury may not hedge against particular risks or may not establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. An imperfect correlation may prevent a Client from achieving the intended hedge, and failure to hedge or an imperfect hedge may expose a Client to risk of loss.

*Fixed Income Securities.* Banbury has the ability to invest in fixed income securities and other debt securities. Certain of these securities may be unrated by a recognized credit-rating agency or below investment grade, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Accordingly, these securities tend to be more sensitive to economic conditions and tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which primarily react to fluctuations in the general level of interest rates. Issuers of lower-rated debt securities are often highly-leveraged and may not have access to more traditional methods of financing. Furthermore, trading in these types of securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. Moreover, it is likely that an economic downturn could affect the ability of the issuers to repay principal and pay interest thereon resulting in a high potential of default.

Additionally, a Client may invest in debt securities that rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. A Client may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Client would therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.

*Lack of Liquidity of Client Assets.* Client assets may, at any given time, include securities or other financial instruments or obligations which are or become thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The lack of an established, liquid secondary market for some Client assets may have an adverse effect on the market value of those assets and on Banbury's ability to dispose of them.

*Business and Regulatory Risks.* Legal, tax and regulatory changes could occur in the future that may adversely affect the Clients. The regulatory environment for hedge funds and other investment vehicles is evolving, and changes in the regulation of hedge funds and other investment vehicles may adversely affect the value of investments held by the Clients and the ability of the Clients to obtain the leverage they might otherwise obtain or to pursue their trading strategies. In addition, securities and futures markets are subject to comprehensive statutes and regulations, including margin requirements. Regulators, self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such

transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Clients could be substantial and adverse including, for example, increased compliance costs, the prohibition of certain types of trading and/or the inhibition of the Clients' ability to pursue certain of their investment strategies.

**Cybersecurity and Systems Risks.** Banbury relies on computer programs, networks, devices and systems (and may rely on new systems and technology in the future) in connection with Clients' investment activities. Banbury has policies and procedures in place to protect such systems and prevent data loss and security breaches. However, such measures cannot provide absolute security. These programs or systems may be subject to certain defects, failures, interruptions or security breaches, including, but not limited to, those caused by computer "worms," viruses, power failures and social engineering schemes such as "phishing," each of which could result in a loss to the Clients. A breach of Banbury's information systems may cause information relating to the Clients' transactions and personally identifiable information of Clients or investors to be lost or improperly accessed, used, or disclosed.

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### **Item 9 - Disciplinary Information**

There have been no legal or disciplinary events that are material to a Client's or prospective client's evaluation of Banbury's advisory business or the integrity of Banbury's management.

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

#### ***Services by or to Related Persons***

Banbury GP LLC serves as general partner to certain Funds.

Messrs. Burleson and Baker have also established individual minority investments in a Delaware limited liability company, Banbury Private Capital LLC ("Banbury Private Capital"). Certain personnel of Banbury Private Capital shares office space with Banbury, and certain of Banbury's personnel provide administrative and operational services to Banbury Private Capital. As such, those personnel who provide services to Banbury Private Capital have conflicts of interest over the amount of time they spend on its activities and the activities of Banbury. Banbury shall ensure that such personnel allocate their time to Banbury's activities in a manner that is consistent with Banbury's fiduciary duty to its Clients and investors.

#### ***Management of Multiple Accounts***

The management of multiple investment vehicles may result in conflicts of interests when Banbury or its related persons allocate their time and investment opportunities among Clients. In addition, the compensation earned by Banbury and its related persons from each of Client can differ from one another.

The Managing Members (and/or other related persons) may have a greater portion of their personal assets invested in certain Client accounts. As a result, Banbury may have a conflict of interest in allocating investment opportunities among the Clients.

In light of the foregoing, Banbury has documented procedures for allocating opportunities among Clients in a fair and equitable manner (see *Item 6 above*).

Subject to applicable law, Banbury may effect transactions among Client accounts whereby one Client account will purchase securities from or sell securities to another Client account (including accounts in which Banbury or its related persons may have a significant interest). This may result in a conflict of interest because a potential transaction may result in benefits to one Client account that may be greater than the benefits to the other Client account. In order to mitigate such conflicts, Banbury effects such transactions only when it believes that such transactions are in the best interests of each Client involved. Such transactions will be effected at the current market price or, in the case of a rebalancing transaction, as of the close of the market on the day of the trade. In addition, no brokerage commission, transfer fee or other additional compensation will be paid to Banbury or its affiliates in connection with any such transaction.

**Co-Investments**

Banbury may, but is not required to, participate in or provide co-investment opportunities to third parties, including limited partners, strategic investors and other third parties not affiliated with Banbury (or its members, principals, affiliates and employees). Co-investment opportunities will be offered or not offered in the sole discretion of Banbury, and a limited partner that desires to participate in a potential co-investment may not receive the full amount, or any amount, of their desired co-investment. When offering co-investment opportunities to a particular third party, Banbury considers a variety of factors, including whether the co-investor may provide strategic value to Banbury, its Clients, Banbury's prior experience with the co-investor (if any), legal, tax and regulatory matters and whether such third party has previously expressed an interest in participating in co-investment opportunities. Banbury (or its members, principals, affiliates and employees) may also participate, directly or indirectly, in co-investments and accordingly, this may reduce the availability of co-investment opportunities for third parties. The terms applicable to any co-investment opportunity will be established in the sole discretion of Banbury, and co-investors may not be subject to any fee in relation to the co-investment opportunity.

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

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**Code of Ethics**

Banbury has adopted a Code of Ethics (the "Code of Ethics"), which is designed to ensure that it conducts its business in accordance with all applicable laws and regulations and in an ethical and professional manner. The Code of Ethics applies to all Banbury employees. In addition, Banbury recognizes that it has a fiduciary duty to its Clients, and that all of its employees will need to conduct their business on Banbury's behalf in a manner that enables Banbury to fulfill this fiduciary duty. In this regard, Banbury has developed policies and procedures in the Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. Employees are provided with a copy of the Code of Ethics and are required to sign and acknowledge that they will comply with its provisions upon hire and on an annual basis. Banbury will provide a copy of the Code of Ethics to any Client or prospective client upon request.

**Personal Trading**

Under the Code of Ethics, employees are generally prohibited from engaging in trading single name securities in any personal accounts. Further, employees are required to obtain the prior written approval of Banbury's Chief Compliance Officer ("CCO") prior to executing any trades that are not otherwise prohibited under the Code of Ethics.

Additionally, employees are required to provide the CCO with periodic reporting relating to their trading activity and personal accounts.

**Participation and Interest in Client Transactions**

Banbury makes available to qualified prospective investors the opportunity to invest in the Funds. Banbury's Managing Members have significant personal investments in the Funds. In addition, Banbury and its affiliates receive performance-based fees and allocations from the Funds.

Subject to applicable law, Banbury may effect transactions between Client accounts whereby one Client account will purchase securities from or sell securities to another account (see *Item 10 above*).

**Item 12 - Brokerage Practices**

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**Selection of Brokers**

In placing portfolio transactions for Clients, Banbury seeks to obtain the best execution for Clients' accounts, which may take into account a number of the following factors, among others: price, timeliness of execution, the availability of financing, the financial stability and reputation of a broker, the value of research, brokerage and other services provided, the responsiveness of a broker-dealer, a broker-dealer's financial resources, counterparty credit risk, and access to liquidity for certain less liquid products.

Banbury has established an Operating Committee (consisting of Banbury's Chief Financial Officer/CCO and President/Chief Operating Officer) that periodically meets to discuss, among other things, the execution performance of the broker-dealers Banbury uses to execute Client transactions. The committee also reviews commissions paid to brokers, soft dollar arrangements (if any) and conflicts of interest. The Operating Committee also periodically reviews Banbury's Approved Broker List to ensure that it remains accurate. Additionally, on a quarterly basis, the Operating Committee will review Banbury's commission runs versus the attributes of each broker.

**Research and Other Soft Dollar Benefits**

Banbury has entered into soft dollar arrangements with certain brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements would pose a conflict of interest for Banbury in that such arrangements would allow Banbury to pay with Client commissions expenses that would otherwise be borne by Banbury. If Banbury uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it would receive a benefit because it would not have to produce or pay for the research, products or services. Banbury may have an incentive to select a broker based on Banbury's interest in receiving the research or other products or services offered by such broker, rather than on Clients' interests in receiving most favorable execution.

When engaging in soft dollar transactions, Banbury complies with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising its discretionary authority to select or arrange for the selection of brokers for execution of transactions for Clients, and, subject to its duty to obtain best execution, Banbury may consider the value of research and brokerage products and services provided by such brokers. Research may include, among other things, proprietary research from brokers, which may be written or oral. Research products may include, among other things, databases and quotation services. Research services may include, among other things, research concerning



market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, pricing data and availability of securities, financial publications, electronic market quotations, performance measurement services, analyses concerning specific securities, companies, industries or sectors, market, economic and financial studies and forecasts, appraisal services, and invitations to attend conferences or meetings with management or industry consultants. Accordingly, if Banbury determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a Client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research provided by such brokers may be used to service all Clients and not exclusively in connection with the management of the Clients that generated the particular soft dollar credits. Where a product or service obtained with Client commission dollars provides both research and non-research assistance to Banbury, Banbury will make a reasonable allocation of the cost which may be paid for with Client commission dollars.

Banbury executes securities transactions on behalf of Clients with broker-dealers that provide Banbury with access to proprietary research reports (such as standard investment research and credit reports). To Banbury's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to Banbury on an unsolicited basis and without regard to the rates of commissions charged or paid by Clients or the volume of business that Banbury directs to such broker-dealers.

#### ***Brokerage for Client Referrals***

Subject to applicable law, Banbury may direct some Client brokerage business to brokers that refer prospective investors to Clients, consistent with best execution. Because such referrals, if any, are likely to benefit Banbury but will provide an insignificant (if any) benefit to its Clients, Banbury has a conflict of interest with its Clients when allocating Client brokerage business to a broker that has referred investors to Banbury. To prevent Client brokerage commissions from being used to pay investor referral fees, Banbury will not allocate Client brokerage business to a referring broker unless it determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to the Client account.

#### ***Trade Error Policy***

Subject to applicable law, Banbury will generally reimburse the applicable Client account(s) for losses that occur as a result of trade errors resulting from Banbury's willful default or gross negligence, as determined by Banbury in good faith.

#### ***Aggregation of Orders***

Banbury will generally aggregate orders for the same security unless aggregation is not consistent with its duty to seek best execution and the terms of the investment guidelines and restrictions of each Client for which trades are being aggregated. Aggregation opportunities for Banbury would generally arise when more than one Client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. When aggregating trades, no Client will be favored over any other Client. Each Client that participates in an aggregated order will participate at the average price for all of Banbury's transactions in that security on a given business day, with transaction costs shared *pro rata* based on each Client's participation in the transaction.

**Item 13 - Review of Accounts**

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The Managing Members review Client accounts continually for overall adherence with the investment strategy and investment guidelines.

Banbury may, in its discretion, provide Fund investors with periodic performance estimates, performance attribution reports, exposure analysis, and other reporting on an as requested basis to specific investors. On an annual basis, investors receive a copy of the relevant Fund's annual audited financial statements and, where applicable, a statement of taxable income (form K-1).

Banbury also provides the owners of the Managed Accounts with periodic unaudited reports at such times as the owners of such accounts and Banbury agree. The custodians of the Managed Accounts send account statements to the owners of such accounts no less frequently than monthly. In addition, since a Managed Account investor directly owns the positions in such account, the investor may have full, real-time transparency as to all transactions and holdings in such account, and may be better able to assess the future prospects of a portfolio that is substantially similar to the portfolios of the Funds.

The investors in the Managed Accounts may have the right to withdraw all or a portion of their capital from such accounts on shorter notice and/or with more frequency than the terms applicable to an investment in the Funds.

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

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Other than the products and services that Banbury receives from broker-dealers (described above in Item 12), Banbury does not receive any economic benefits from third parties in connection with the provision of investment advice to Clients. Additionally, Banbury does not directly or indirectly compensate any person for investor referrals.

**Item 15 - Custody**

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For purposes of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the "Custody Rule"), Banbury is deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian will not be required to deliver quarterly account statements to the Funds or their respective investors as long as (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) Banbury delivers such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

As noted above in Item 13, owners of the Managed Accounts receive account statements no less frequently than quarterly from the custodians of such accounts. Clients should carefully review these statements that are received from the custodians of such accounts.

**Item 16 - Investment Discretion**

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Banbury has discretionary authority to manage securities accounts on behalf of the Clients. The investors in the Funds generally do not have the ability to place any limits on Banbury's authority beyond the limitations set forth in the governing documents and/or offering documents of the applicable Fund. On a case-by-case basis, owners of the Managed Accounts may negotiate certain risk and/or operating guidelines to which Banbury adheres when exercising its discretionary authority over such accounts.



**Item 17 - Voting Client Securities**

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Banbury has established proxy voting policies and procedures (a "Proxy Voting Policy") designed to ensure that proxies are voted in the best interest of the Clients. The Proxy Voting Policy requires Banbury, when voting proxies, to follow procedures designed to identify and address material conflicts that may arise between its interests and those of its Clients. Accordingly, prior to voting any proxy, the CCO will determine whether a material conflict of interest exists and will either resolve the conflict or refer proxy vote to an outside service provider for its independent consideration.

In the absence of a material conflict, Banbury will seek to act solely in the best interests of its Clients. Banbury determines whether and how to vote proxies on a case-by-case basis. In making such determination, Banbury: (i) will attempt to consider all aspects of the vote that could affect the value of the issuer or that of the relevant Client, (ii) will vote in a manner that it believes is consistent with the relevant Client's stated objectives, (iii) will generally vote in accordance with the recommendation of the issuing company's management on routine and administrative matters, unless Banbury has a particular reason to vote to the contrary, and (iv) may not vote at all to the extent the outcome of the vote or action does not have a material impact on the issuer or value of its securities.

Upon request by a Client, Banbury will disclose to such Client how it voted securities owned by such Client. Clients may also contact Banbury via e-mail or telephone to request a copy of its Proxy Voting Policy.

**Item 18 - Financial Information**

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Banbury has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

**Item 19 - Regulations for State-Registered Advisers**

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*Not applicable.*