

## **Form ADV Part 2A: Firm Brochure**

### **AQUARIAN HOLDINGS MANAGEMENT LLC**

**40 10th Avenue, 6th Floor  
New York, NY 10014  
(212) 720-1000  
[www.aquarianlp.com](http://www.aquarianlp.com)**

**September 28, 2020**

This brochure, dated September 28, 2020 (“Brochure”), provides information about the qualifications and business practices of Aquarian Holdings Management LLC, the filing adviser (the “Adviser”), together with information with respect to Aquarian Holdings I GP LLC (“GP I”), Aquarian Holdings II GP LLC (“GP II”), and Aquarian Holdings III GP LLC (“GP III” and together with GP I and GP II, the “General Partner”, and the General Partner together with the Adviser, “Aquarian”). If you have any questions about the contents of this Brochure, please contact us at (212) 720-1000.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training of Aquarian or its personnel.

Additional information about Aquarian is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **ITEM 2. MATERIAL CHANGES**

This is the Adviser's initial Brochure. The Adviser will update this Brochure no less than annually.

### **ITEM 3. TABLE OF CONTENTS**

Item 1.	Cover Page .....	1
ITEM 2.	MATERIAL CHANGES .....	2
ITEM 3.	TABLE OF CONTENTS .....	3
ITEM 4.	ADVISORY BUSINESS .....	4
ITEM 5.	FEES AND COMPENSATION .....	5
ITEM 6.	PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	6
ITEM 7.	TYPES OF CLIENTS .....	6
ITEM 8.	INVESTMENT STRATEGIES, METHODS OF ANALYSIS AND RISK OF LOSS .....	6
ITEM 9.	DISCIPLINARY INFORMATION .....	13
ITEM 10.	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	13
ITEM 11.	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	13
ITEM 12.	BROKERAGE PRACTICES .....	14
ITEM 13.	REVIEW OF ACCOUNTS .....	14
ITEM 14.	CLIENT REFERRALS AND OTHER COMPENSATION .....	15
ITEM 15.	CUSTODY .....	15
ITEM 16.	INVESTMENT DISCRETION .....	15
ITEM 17.	VOTING CLIENT SECURITIES .....	15
ITEM 18.	FINANCIAL INFORMATION .....	16

#### **ITEM 4. ADVISORY BUSINESS**

##### **(a) General Description of the Advisory Firm**

The Adviser is a Delaware limited liability company, which was formed in May 2017 and commenced business in March 2018. The Adviser was previously a relying adviser of Aquarian Holdings Investment Management LLC (“AHIM”), an investment adviser registered with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and an affiliate of the Adviser. The Adviser has its principal place of business in New York, New York.

The Adviser is wholly owned by The Taurus Trust, an Ohio trust. The General Partner is indirectly owned by Rudrabhishek Sahay. The Adviser’s Chief Compliance Officer (“CCO”) is Benjamin Goodman. The Adviser is registered with the SEC as an investment adviser pursuant to the Advisers Act.

##### **(b) Description of Advisory Services**

Aquarian provides tailored investment management services to three private investment funds (“Fund I”, “Fund II”, and “Fund III”, individually or collectively, as the context may require, the “Partnership”) sponsored by the Adviser (the “Clients” or a “Client”), pursuant to, in each case, a contractual arrangement with each Client governing the terms and nature of the advisory services provided to such Client (the “Governing Document”). In providing services to the Clients, Aquarian seeks to draw upon the experience of its personnel in providing investment advisory services with respect to the cash, investment, and asset management activities of insurance companies in a manner designed to provide Clients with exposure to a robust and opportunistic investment management strategy, subject in all cases to applicable laws governing the investments of each of the Clients and applicable oversight by the board of directors of such entities.

In its capacity as investment manager to the Partnership, the Adviser provides investment management services with respect to the assets of the Partnership, including structuring, monitoring, and analyzing the performance of such assets, and providing business advice with respect to the management of the Partnership’s interest therein.

##### **(c) Ability of Clients to Tailor Investment Advisory Services**

The terms upon which Aquarian serves as an investment manager to the Clients are determined at the time each Client relationship is established and set forth in each Client’s Governing Documents and may also be subject to certain terms and conditions set forth in side letter agreements with particular investors in the Partnership (“Side Letters”).

The terms upon which Aquarian provides investment management services vary between Clients and may include restrictions on the investment discretion of the Adviser. Such restrictions may include limitations on the acquisition and disposition of new or existing

investments, timing of distributions from investments, types of investments, use of leverage and the capitalization of certain investments.

(d) Assets Under Management

As of September 1, 2020, the Adviser's regulatory assets under management were approximately \$182,961,000, all of which is managed on a discretionary basis.

**ITEM 5. FEES AND COMPENSATION**

(a) Investment Management Fees and Compensation

As applicable, the Adviser and General Partner receive management fees, advisory fees, performance-based compensation in connection with the investment management services performed for Clients. These fees and payments are negotiated and agreed upon at the time of the formation of the Partnership and the beginning of the management relationship in respect of the Client and may be deducted from amounts that would otherwise be retained by the Clients. Specific details regarding such fees and compensation, including their method of calculation, are set forth in the offering materials, disclosure documents, and Governing Documents with respect to the relevant Client.

(b) Fee Schedule

The terms and conditions governing advisory fee arrangements with Clients include the following:

The Adviser has received a management fee from Fund I that included a one-time payment paid on the date upon which the Adviser commenced management of the assets of Fund I and expects to receive in respect of Fund III a similar fee following the final closing of Fund III. Each of GPI, GPII and GPIII are entitled to a "carried interest" as a percentage of the net capital appreciation of Fund I, Fund II and Fund III respectively, subject to certain conditions and limitations set forth in each Partnership's organizational documents and Side Letters, as applicable.

(c) Other Expenses

In addition to the fees described above, the Clients bear their own organizational, operating, and all other expenses associated with their investments including, but not limited to: expenses incurred with the purchase, holding, sale or proposed sale of investments, including due diligence, research, all reasonable travel-related expenses, legal and compliance expenses, administrator and administrative expenses, and all unreimbursed third-party out-of-pocket costs and expenses of independent directors, custodians, paying agents, registrars, counsel, independent accountants and indemnification or contribution obligations set forth in the Governing Documents in respect of the Partnership. Certain affiliates of Aquarian may also be entitled to receive

certain fixed or asset based fees from subsidiaries of the Partnership, including the Insurance Subsidiary, the Consultant Entity from time to time in addition to those described herein.

## **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As disclosed in Item 5 of this Brochure, the General Partner may receive a carried interest from the Partnership. The General Partner may receive distributions of carried interest only after the Partnership first returns to the limited partners of the Partnership ("Limited Partners") (i) all capital contributed by the Limited Partners, unless such distribution is in the form of interest or ordinary dividend income from the operations of the business of the Partnership and its subsidiaries and the fair market value of the Partnership exceeds a specified threshold set forth in its organizational documents and (ii) a preferred return, compounded annually based on the aggregate unreturned capital contributed by the Limited Partners. The carried interest provision is detailed in the Partnership's organizational document.

Investors should be aware that performance-based fee arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. This arrangement may cause investors to pay a greater expense than if such fees were not charged. The Adviser seeks to address such conflicts in a fair and equitable manner in accordance with the Adviser's obligations under the Advisers Act and in its good faith discretion. The Adviser has established policies and procedures to address the potential conflicts of interest described above through careful review of the structure governing the Partnership. Certain additional conflicts of interests which are inherent in the structure are discussed in detail in Item 8 below.

## **ITEM 7. TYPES OF CLIENTS**

As disclosed in Item 4, the Adviser provides investment management services to each Partnership. The minimum amounts of investment for investors in each Partnership are set forth in its organizational document.

## **ITEM 8. INVESTMENT STRATEGIES, METHODS OF ANALYSIS AND RISK OF LOSS**

### **(a) Investment Strategy**

Aquarian's investment strategy is anchored in combining a focused strategy on identifying attractive opportunities and pursuing potential enhancements derived from the thoughtful and opportunistic pursuit of the unique set of capital opportunities available to permanent and quasi-permanent capital pools to generate an attractive risk-adjusted return. This investment strategy is based on the fundamental belief that financial products are created to replicate business cycles, but that the implementation of these financial products rarely or never perfectly match business cycles.

Aquarian's investment strategy and advice to its Clients is predicated upon the belief that certain sectors of the insurance industry provide an attractive opportunity for long-term investors seeking a favorable risk-adjusted return across business cycles. In addition, Aquarian's investment strategy will also consider on an opportunistic basis certain related and ancillary investment opportunities, identified through the networks and investment expertise of the Adviser that may be suitable for the investment profile and guidelines of its Clients.

Aquarian's fundamental investment strategy with respect to the acquisition and management of the Partnership's portfolio investment(s), is to recognize enhanced value through improvements to the operations, asset management and risk management functions of the Partnership's insurance company subsidiary (the "Insurance Subsidiary") in accordance with applicable laws governing investments of the Insurance Subsidiary.

(b) Methods of Analysis

Aquarian utilizes a rigorous due diligence process to identify and quantify the growth, cost, capital structure, asset management, and other organizational improvement opportunities that can realistically be achieved over the expected ownership period of each potential Partnership investment.

(c) Risk of Loss

The following risks do not purport to be a complete enumeration or exploration of the risks related to the management of Client assets by Aquarian. Additional information and risk factors are contained in the applicable Client's offering document and/or Governing Documents.

*Management Risk.* The performance of portfolios managed by Aquarian are subject to the risk that the investment process, techniques, and analyses applied will not produce the desired results, and those assets, securities, other financial instruments selected for a portfolio may result in returns that are inconsistent with the portfolio's investment objective

*The Partnership's investment performance will be adversely affected by the financial deterioration of Portfolio Companies.* The Partnership's return to Limited Partners would be adversely impacted if the entities in which the Partnership invests ("Portfolio Companies"), which term encompasses any entities the Insurance Subsidiary may invest in, operate at a loss or have significant variations in operating results, require substantial additional capital to support their operations or to maintain their competitive position, or otherwise have a weak financial condition or experience financial distress. Portfolio Companies could deteriorate as a result of, among other factors, adverse developments in their operations, changes in the competitive environment or an economic downturn.

Portfolio Companies may require additional financing (including leverage) from sources outside the Partnership to satisfy their capital requirements. The amount of additional financing needed will depend upon the business objectives and strategy of the particular company. The availability of capital may be a function of capital market conditions that are beyond the control of the Partnership or any Portfolio Company. There can be no assurance that a Portfolio Company will be able to predict accurately its capital requirements or that additional funds will be available from the desired source or from any sources or on terms favorable to Portfolio Companies.

Moreover, Portfolio Companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

*International market volatility may disrupt the Partnership's investment performance.* International market and economic conditions have been, and continue to be, disruptive and volatile. These conditions have had and are expected to continue to have broad regional, national and global economic ramifications. Such conditions could materially and adversely impact the performance of assets managed by the Adviser with operations outside of the United States in a variety of ways and may include impacts that cannot be anticipated at this time. Among other things, these conditions may materially and adversely affect the ability to access credit markets on favorable terms, or at all, in connection with the financing or refinancing of investments in respect of the Partnership and limit growth opportunities for investments. There can be no assurance that national and global market and economic conditions will improve during the term of the Adviser's engagement by the Clients, and such conditions could continue to deteriorate materially and for an extended period of time. Uncertainty about future economic growth, rising unemployment, high oil prices, low consumer sentiment, inflationary pressures, adverse developments in the credit markets and mixed corporate earnings present significant challenges to global economies presently and in the future. Any of the foregoing could have a material adverse impact on the Clients.

*The Insurance Subsidiary's salesforce may not perform as strongly as Aquarian had predicted and appropriate third parties to effectively assume marketing and sales roles may not be found.* While Aquarian believes that the Insurance Subsidiary's capable salesforce will be able to successfully market and sell additional policies under Aquarian's guidance, its performance may not be as strong as Aquarian currently estimates. Furthermore, it may be difficult to locate appropriate third parties that can effectively assume such marketing and sales roles. As a result, the Insurance Subsidiary's profitability may be substantially lower than Aquarian's current expectations.

*The Insurance Subsidiary's rating may not improve.* Aquarian believes that the Insurance Subsidiary's ratings can be upgraded over time. However, for various reasons, including the Insurance Subsidiary's failure to improve its RBC ratio, the Insurance Subsidiary's



ratings may not improve. As a result, the Insurance Subsidiary's profitability may be substantially lower than Aquarian's current expectations.

*There is a risk that the analysis engaged by Aquarian in the selection of the assets of the Partnership did not accurately anticipate the costs and benefits of the assets of the Partnership.* According to Aquarian's analysis of the existing book of business of the holding company in respect of the Insurance Subsidiary, Aquarian anticipates that the Insurance Subsidiary, as result of a successful implementation of the Core Business Strategy, as described in the Partnership's offering document ("Core Business Strategy") would be in a position to improve cash flows over the term of the Partnership (the "Term"). Aquarian's such views are based on the data provided by the Insurance Subsidiary, and while Aquarian has taken appropriate measures to confirm the accuracy of such provided data to the extent it could, it cannot be guaranteed that the information that Aquarian relied on is fully accurate. Moreover, the types of analysis Aquarian has conducted contain elements that are subjective in nature and partially depend on assumptions about the future performance of the Insurance Subsidiary's operations and investments. It is also possible that Aquarian or the Insurance Subsidiary may have inadvertently made mistakes while analyzing the Insurance Subsidiary's business data. If the data provided by the Insurance Subsidiary is inaccurate, Aquarian's analysis in hindsight turns out to have been overly optimistic or if analysis of the Insurance Subsidiary's data involves some undiscovered mistake, Aquarian's conclusion that the Insurance Subsidiary offered an attractive purchase price relative to the risk presented by its operations may turn out to have been inaccurate.

*Changing interest rates, market volatility and general economic conditions affect the risks and the returns on both the Insurance Subsidiary's products and its investment portfolio.* Interest rates have a significant impact on the Insurance Subsidiary's business and on consumer demand for the Insurance Subsidiary's products. Some of the Insurance Subsidiary's products, principally interest-sensitive life insurance and fixed annuities, expose the Insurance Subsidiary to the risk that changes in interest rates may reduce the Insurance Subsidiary's "spread," or the difference between the amounts the Insurance Subsidiary earns on investment and the amount the Insurance Subsidiary must pay under its contracts. Persistently low (or lower) interest rates compound this spread compression. When market interest rates decrease or remain at relatively low levels, prepayments and redemptions affecting the Insurance Subsidiary's investment securities and mortgage loan investments may increase as issuers and borrowers seek to refinance at a lower rate. Proceeds from maturing, prepaid or sold bonds or mortgage loan investments may be reinvested at lower yields, reducing the Insurance Subsidiary's spread. The Insurance Subsidiary's ability to decrease product-crediting rates in response may be limited by market and competitive conditions and by regulatory or contractual minimum rate guarantees. Conversely, increases in market interest rates can also have negative effects. For example, increasing rates on other insurance or investment products offered to the Insurance Subsidiary's customers by competitors can lead to higher surrenders at a time when fixed maturity investment asset values are lower. The Insurance Subsidiary may react to market conditions by increasing crediting rates, which narrows spreads. In

addition, when interest rates rise, the value of the Insurance Subsidiary's investment portfolio may decline due to decreases in the fair value of the Insurance Subsidiary's securities. While the Insurance Subsidiary uses asset-liability management processes to mitigate the effect on the Insurance Subsidiary's spreads of changes in interest rates, they may not be fully effective. Recently, the Board of Governors of the Federal Reserve System has moved towards normalizing monetary policy from the programs of recent years that have fostered a historically low interest rate environment. In addition to resulting in higher interest rates, this move could generate volatility in debt and equity markets and could hamper continued economic recovery.

*Fluctuations in the markets for fixed maturity securities, equity securities and commercial real estate could adversely affect the Insurance Subsidiary's business.* Investment returns are an important part of the Partnership's profitability. Substantially all investments, including the Insurance Subsidiary's fixed income, equity, real estate and mortgage loan investment portfolios, are subject to market and credit risks, including market volatility and deterioration in the credit or prospects of companies or governmental entities in which the Insurance Subsidiary invests. The Partnership could incur significant losses from such risks, particularly during extreme market events. The concentration of the Insurance Subsidiary's investments in any particular industry, group of related industries or government issuers or geographic sector can compound these risks.

*Some of the Partnership's investments may be relatively illiquid.* The Insurance Subsidiary's investments in privately placed securities, mortgage loans and real estate, including real estate joint ventures and other equity interests, may be relatively illiquid. If the Insurance Subsidiary suddenly requires significant amounts of cash in excess of ordinary cash requirements, it may be difficult or impossible to sell these investments in an orderly manner for a favorable price. The illiquidity of the Partnership's investments may impose additional challenges in any attempts to effectuate an exit of its investments.

*The Insurance Subsidiary is subject to extensive regulation, and potential further regulation may increase its operating costs and limit its growth.* The Insurance Subsidiary is subject to extensive insurance laws and regulations that affect nearly every aspect of its business. The Insurance Subsidiary is also subject to additional laws and regulations administered and enforced by a number of different governmental authorities, such as state securities and workforce regulators, the SEC, the Internal Revenue Service (the "Service"), the Financial Industry Regulatory Authority, the U.S. Department of Justice, the U.S. Department of Labor ("DOL"), the U.S. Department of Housing and Urban Development, the U.S. Department of Health and Human Services, the Federal Trade Commission and state attorneys general, each of which exercises a degree of interpretive latitude. The Insurance Subsidiary faces the risks that any particular regulator's or enforcement authority's interpretation of a legal issue may conflict with that of another regulator or enforcement authority or may change over time to the Insurance Subsidiary's detriment. Regulatory investigations, which can be broad and unpredictable, may raise issues not identified previously and could result in new legal actions against the Insurance Subsidiary and industry-wide regulations that could adversely affect it.

The laws and regulations applicable to the Insurance Subsidiary are complex and subject to change, and compliance is time consuming and personnel-intensive. Changes in these laws and regulations, or interpretations by courts or regulators, may materially increase the Insurance Subsidiary's costs of doing business and may result in changes to the Insurance Subsidiary's practices that may limit its ability to grow and improve its profitability. Regulatory developments or actions against the Insurance Subsidiary could have material adverse financial effects and could cause harm to the Insurance Subsidiary's reputation. Among other things, the Insurance Subsidiary could be fined, prohibited from engaging in some or all of its business activities, or made subject to limitations or conditions on its business activities.

As insurance industry practices and legal, judicial, social and other conditions outside of the Insurance Subsidiary's control change, unexpected issues related to claims and coverage may emerge. These changes may include modifications to long-established business practices or policy interpretations, which may adversely affect the Insurance Subsidiary by extending coverage beyond the Insurance Subsidiary's underwriting intent or by increasing the type, number or size of claims. For example, a growing number of states have adopted legislation that is similar to the Model Unclaimed Life Insurance Benefits Act. Such legislation imposes new requirements on insurers to periodically compare their life insurance and annuity contracts and retained asset accounts against the U.S. Social Security Administration's Death Master File, investigate any potential matches, determine whether benefits are payable, and attempt to locate beneficiaries. Some states are attempting to apply these laws retroactively to existing policies. A number of states have aggressively audited life insurance companies for compliance with such laws, and more states could do so. Such audits have sought to identify unreported insured deaths and to determine whether any unpaid benefits, proceeds or other payments under life insurance or annuity contracts should be treated as unclaimed property to be escheated to the state. It is possible that such audits or additional enactment of similar legislation may result in additional payments to beneficiaries, additional escheatment of funds deemed abandoned under state laws, regulatory actions, litigation, administrative fines and penalties, interest and additional changes to the Insurance Subsidiary's procedures.

Federal regulatory changes and initiatives have a growing impact on the Insurance Subsidiary. For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") provides for enhanced federal oversight of the financial services industry through multiple initiatives. Provisions of Dodd-Frank are or may become applicable to the Insurance Subsidiary, its competitors or certain entities with which the Insurance Subsidiary does business. For example, it is possible that regulations issued by the Consumer Financial Protection Bureau may extend, or be interpreted to extend, to the sale of certain insurance products by covered financial institutions, which could adversely affect sales of such products. The Federal Insurance Office, as a result of various studies it conducts, may also recommend changes in laws or regulations that affect the Insurance Subsidiary's business.

There have been federal efforts to change the standards of care applicable to broker-dealers and investment advisers. The DOL has issued a regulation that will significantly expand the range of activities considered to be fiduciary investment advice under the Employee Retirement and Income Security Act of 1974, as amended (“ERISA”) and the Internal Revenue Code of 1986, as amended. The DOL regulation will impact individuals and entities that offer investment advice to those who purchase qualified retirement products, such as individual retirement accounts and qualified retirement plans. This regulation applies the fiduciary standards of ERISA to many insurance agents, broker-dealers, advisers and others not currently subject to the standard, when they sell annuities to individual retirement accounts and qualified retirement plans. Further, it prohibits such individuals from receiving commission-based compensation from such sales unless they comply with a prohibited transaction exemption under the rule. It is possible that the rule, or its implementation date, could be affected by pending litigation or by the change in Presidential administrations. Compliance with the rule may result in decreased premium on certain life and annuity products as a result of more limited sales opportunities through the Insurance Subsidiary’s current distribution arrangements. The Insurance Subsidiary may also experience a loss of some in-force business as well as increased regulatory burdens and litigation risk. In addition, following a study required by Dodd-Frank, the staff of the SEC recommended a uniform fiduciary duty standard applicable to both broker-dealers and investment advisers when providing personalized investment advice to retail customers. It is not clear at the present time whether or when the SEC will ultimately implement this change. However, if implemented, it would apply a different standard of care than is currently applicable to broker-dealers and may affect how the Insurance Subsidiary’s insurance products are designed and sold.

International standards continue to emerge in response to the globalization of the insurance industry and evolving standards of regulation, solvency measurement and risk management. Any international conventions or mandates that directly or indirectly impact or influence the nature of U.S. regulation or industry operations could negatively affect the Insurance Subsidiary.

*Carried Interest of the General Partner.* The existence of the General Partner's carried interest from the Partnership may create an incentive for the General Partner to make more speculative portfolio investments on behalf of the Partnership than it would otherwise make in the absence of such performance-based arrangement, although the General Partner's commitment to the Partnership should tend to reduce this incentive.

*Cybersecurity Risk.* The Clients and any of their service providers, including Aquarian and its affiliates, are subject to cybersecurity risks. This could occur as a result of malicious or criminal cyber-attacks. Successful cyber-attacks or other cyber-failures or events may adversely impact a Client or cause an investment to lose value. Cybersecurity breaches at the Adviser or its service providers or counterparties may directly or indirectly affect Clients, and could lead to theft, data corruption, interference with business operations, disruption of operational systems, interference with the Adviser’s or the Clients’ ability to

execute transactions, direct financial loss or reputational damage, or violations of applicable laws related to data and privacy protection and consumer protection.

#### **ITEM 9. DISCIPLINARY INFORMATION**

Neither Aquarian nor any of its management persons have been involved in any legal or disciplinary events that are material to a Client, investor, prospective Client or prospective investor's evaluation of Aquarian's advisory business or the integrity of its management.

#### **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Adviser and the General Partner are affiliated. The Adviser is directly owned by The Taurus Trust. The General Partner is indirectly owned by Mr. Sahay. The Adviser and General Partner were created to conduct and facilitate Aquarian's investment related activities and provide services to the Clients' and/or the Clients' investments.

The Adviser is an affiliate of AHIM, which is registered as an investment adviser under the Advisers Act and provides investment management services to the Insurance Subsidiary. It is expected that Aquarian and AHIM will operate in an coordinated manner with respect to matters pertaining to the Insurance Subsidiary. Mr. Sahay is the Chief Executive Officer and Chief Investment Officer of both AHIM and the Adviser and Mr. Goodman is the Chief Compliance Officer and Chief Legal Officer of both AHIM and the Adviser.

Aquarian's personnel will devote a portion of their business time and efforts to each of the Clients. Conflicts of interests may arise, including in allocating management time, services and functions between the Clients and Aquarian's affiliates, including advisory services to be provided by AHIM, which are expected to result in the payment by the Insurance Subsidiary of fees to AHIM. Such conflicts of interests may not be resolved in favor of any particular Client. Aquarian may also give advice, and take action, with respect to any of its Clients that may differ or be completely opposite from the advice given to another Client. To the extent a conflict arises, Aquarian and its affiliates will attempt to resolve such conflict in a fair and equitable manner and may consult with the LP Committee, if applicable.

#### **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Aquarian has adopted a Code of Ethics (the "Code") to comply with Rule 204A-1 under the Advisers Act which sets forth standards of business and personal conduct for all Aquarian employees. The Code is predicated on the basic idea that employees of Aquarian will adhere to certain ethical and fiduciary standards and will conduct their affairs in accordance with the principles of professionalism, integrity, honesty and trust.

The Code establishes policies and procedures that are reasonably designed to: (i) prevent fraud and improper personal trading; (ii) identify circumstances that may result in an actual or potential conflict of interest or the appearance thereof; and (iii) provide a means to resolve such conflicts. Investors and prospective investors may request a copy of the Code by contacting Aquarian at the address or telephone number listed on the first page of this brochure.

Additionally, persons associated with Aquarian are subject to policies and procedures regarding outside business activities, political contributions, and personal trading.

Personal trading transactions by employees of Aquarian may raise potential conflicts of interest when such persons trade in a security that is owned by, or considered for purchase or sale for, a Client. To the extent such investments create a conflict between Aquarian or its affiliates and any Client, Aquarian or its affiliates will resolve such conflict in a manner consistent with Aquarian's obligations under the Advisers Act and the Governing Documents in respect of such Client, and may consult with the LP Committee, if applicable.

## **ITEM 12. BROKERAGE PRACTICES**

Aquarian does not have any soft-dollar arrangements and does not receive any soft-dollar benefits. In the future, Aquarian may use a broker to effect transactions in public securities resulting from, or in connection with, investments for Clients. In those instances, Aquarian will have full discretionary authority with respect to the selection of, and commissions paid to, brokers. If Aquarian determines to engage a broker for or on behalf of a Client, it will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness, and the value of research provided, if any. In order to minimize execution costs and obtain best execution for all Clients, Aquarian may aggregate orders for multiple Clients, as long as aggregating would be in the best interests of each participating Client.

## **ITEM 13. REVIEW OF ACCOUNTS**

Aquarian regularly monitors and reviews the performance of each Client's investments. Each Client's portfolio is reviewed at least quarterly by Aquarian's investment professionals to ensure conformity with the investment objectives and guidelines.

A review of a Client's investment portfolio, other than described above, may also be triggered by material changes in key variables, such as changes in market conditions, changes in investment objectives or policies or changes in capital inflows/outflows, among other things.

With respect to the Partnership, Limited Partners will be provided with audited financial statements generally within 120 days after the end of the Partnership's fiscal year.

#### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Neither Aquarian nor any related person directly or indirectly compensates any person who is not a supervised person for client referrals.

#### **ITEM 15. CUSTODY**

For purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), Aquarian is deemed to have custody over the Partnership’s assets. In accordance with the Custody Rule, the Partnership will be subject to annual financial statement audits conducted by an accounting firm that is subject to regular inspection by the Public Company Accounting Oversight Board. The Partnership’s financial statements will be audited in accordance with generally accepted accounting principles (GAAP) and distributed to each investor within 120 days of the Partnership’s fiscal year end.

#### **ITEM 16. INVESTMENT DISCRETION**

Aquarian has been given full discretion over how to invest and manage the assets of the Clients which authority is generally exercised pursuant to a power of attorney or contractual grant of authority, subject to the limitations set forth in the Governing Documents in respect of such Client and Side Letters. Aquarian is authorized to enter into any type of investment transaction that it deems appropriate for its Clients, pursuant to the terms of their Governing Documents. Such Governing Documents and Side Letters may impose additional restrictions and limitations regarding the management of investments of Clients, including: (i) certain financing transactions in respect of investments; (ii) the acquisition and divestiture of investments; (iii) certain material tax elections and (iv) the approval and amendment of business plans prepared for investments.

#### **ITEM 17. VOTING CLIENT SECURITIES**

If Aquarian accepts responsibility for voting proxies on behalf of any of its Clients, Aquarian will generally vote in line with company management, as company management is best suited to make decisions that are essential to the ongoing operations of the company. However, Aquarian’s policy, first and foremost, will be to vote in accordance with the best interest of the Clients. Accordingly, under circumstances in which Aquarian believes that company management’s proposals will not maximize the value for the Clients or is not in the best interest of the Clients, Aquarian will vote against company management. In all cases, the reason for the decision, along with a record of the vote will be retained by the CCO for Aquarian’s books and records.

If a proxy vote presents a conflict of interest, the CCO will present such purported conflict of interest to Aquarian’s investment personnel and conduct a conflict analysis. The CCO shall document the matter and how the conflict of interest was resolved or mitigated and retain such documentation for Aquarian’s books and records.

Investors and prospective investors may request a copy of Aquarian's policy related to voting proxies by contacting Aquarian at the address or telephone number listed on the first page of this brochure.

**ITEM 18. FINANCIAL INFORMATION**

As an advisory firm that maintains discretionary authority for client accounts, Aquarian is required to disclose any financial condition that is reasonable likely to impair its ability to meet its contractual obligations. Aquarian has no financial circumstances to report and has not been the subject of a bankruptcy petition.