

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

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This brochure provides information about the qualifications and business practices of New Holland Capital, LLC (“NHC”). If you have any questions about the contents of this brochure, please contact Nicholas Rontiris, Chief Compliance Officer, at 212-600-9233 or [nrontiris@newhollandcapital.com](mailto:nrontiris@newhollandcapital.com). 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.

NHC is registered as an investment adviser with the SEC. Registration with the SEC does not imply any level of skill or training.

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

## **Item 2. Material Changes**

We do not believe any of the changes to this brochure that have been made since our last annual update dated March 29, 2020 are material.

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#### **Item 4. Advisory Business**

NHC has been providing investment advisory services since 2006. As of 2020, NHC provides both discretionary and non-discretionary investment advisory services, including services provided to certain pooled investment vehicles and customized funds (collectively, the “Advised Funds”) as more fully described below.

##### *Non-Discretionary Services*

Certain of the Advised Funds have been organized by and are operated by a single European investment adviser (the “Client Adviser”) on behalf of its clients for its clients’ benefit (such Advised Funds, the “Client Adviser Funds”). We advise the Client Adviser Funds on a nondiscretionary basis with respect to their portfolios of hedge funds and other alternative investments according to the objectives and investment policies described in the investment and advisory agreement among NHC and the Client Adviser Funds (the “Advisory Agreement”). Non-Discretionary Services may include monitoring of existing client investments.

##### *Discretionary Services*

One of the Advised Funds is a customized fund (the “NHC Fund”) created at the request of the Client Adviser to pursue an investment strategy requested by the Client Adviser on behalf of its clients. The NHC Fund has been managed on a discretionary basis since January 2, 2020. The terms of the Discretionary Services are set forth in the governing documents of the NHC Fund (the “Governing Documents”). In furtherance of the investment objectives of the NHC Fund, we also advise certain wholly owned subsidiaries of the NHC Fund through which the NHC Fund invests. The special purpose vehicles may include vehicles that will directly engage third party trading advisors to invest all or a portion of such vehicle’s assets (such fund, a “Managed Account Platform Fund”). NHC serves as the investment manager of these special purpose vehicles and the Managed Account Platform Funds and is responsible for the selection of each investment made by a special purpose vehicle and trading advisor engaged by a Managed Account Platform Fund, which was launched on April 1, 2020.

Additionally, NHC provides discretionary investment advisory services to a large United States-based public pension fund (the “Pension Client”) via a managed account arrangement (the “SMA”). The SMA began its activities on January 22, 2021.

##### *Additional Activities and Services*

Either in connection with its services to its clients or for their own accounts, NHC principals and other personnel may serve on advisory boards or committees to Underlying Managers (as defined below).

NHC is a limited liability company organized under the laws of Delaware and formed in 2006 specifically to provide investment management services to the Advised Funds. NHC was formed by a team that was performing the same function as employees of a subsidiary of the Client Adviser.

NHC is the wholly owned subsidiary of NHC Partners, LLC.

As of December 31, 2020, NHC advised approximately \$7,282,219,800 in assets on a discretionary basis and \$17,838,602,289 on a non-discretionary basis. The SMA, which was not in existence as of December 31, 2020, is not included in these figures.

## Item 5. Fees and Compensation

NHC currently receives both asset-based and performance-based compensation (collectively, the “Advisory Fees”). There are significant differences between the amounts and structures of the Advisory Fees that NHC receives with respect of each of the Non-Discretionary Services and the Discretionary Services. Both fee structures were tailored to the specific requests of the Client Adviser. A description of each is set forth below.

### *Advisory Fees and Expenses related to the Non-Discretionary Services*

NHC’s fees with respect to the Non-Discretionary Services are set forth in the Advisory Agreement. These fees consist of a fee calculated as a percentage of the overall net asset value of the Client Adviser Funds, as well as a fee that is paid based on the realized and unrealized performance of the Client Adviser Funds over an agreed-upon benchmark. The Advisory Fees are calculated by the administrator of the Advised Funds, which is an affiliate of the Client Adviser. NHC has no ability to deduct fees from the Advised Funds and NHC does not charge the Advised Funds any additional fees or receive any other compensation. NHC also does not receive reimbursement for its out-of-pocket expenses incurred in connection with the Non-Discretionary Services, although it may in the future with the Client Adviser’s consent.

The Advised Funds pay their own expenses in addition to the Advisory Fees, including, but not limited to, accounting, administrative, legal and other professional expenses, custodial and bank service fees.

### *Advisory Fees and Expenses Related to the Discretionary Services*

NHC’s fees with respect to the NHC Fund are set forth in the Governing Documents. These fees consist of a fee calculated as a percentage of the overall net asset value of the NHC Fund, as well as a fee that is paid based on the realized and unrealized performance of the NHC Fund over an agreed-upon benchmark. NHC calculates the Advisory Fees for the NHC Fund and instructs the NHC Fund’s administrator to make payment as set forth in the Governing Documents. As described above, NHC also serves as the investment manager of the Managed Account Platform Funds. In connection therewith, NHC earns no additional compensation, but rather is compensated in connection with the NHC Fund’s investment in the Managed Account Platform Funds.

In addition to the Advisory Fees, the NHC Fund bears its own expenses (and any third party expenses incurred by NHC on behalf of the NHC Fund) including expenses incurred in connection with any due diligence expenses relating to transactions, and the sourcing, identifying, evaluating, structuring, negotiating, making, purchasing, holding, settling, custody, operating, managing, monitoring, financing, or disposing of the NHC Fund’s investments, third-party costs related to the management or administration of the NHC Fund, accounting, custodial, brokerage, valuation, legal and reporting expenses, audit and tax preparation expenses, costs of travel, costs of any

liability insurance of NHC, other professional costs, travel costs, costs and expenses of prospective or potential investments which are not ultimately made, expenses related to taxes and tax preparation and filing and other expenses as detailed in the Governing Documents. NHC does not charge any in-house or internal expenses to the NHC Fund.

NHC's fees with respect to the SMA are set forth in the investment management agreement ("IMA") governing the SMA. These fees consist of a fee calculated as a percentage of the overall net asset value of the SMA, as well as a fee that is paid based on the realized performance of the SMA over an agreed-upon benchmark. NHC has no ability to deduct fees from the SMA nor does NHC receive any other compensation. Additionally, the Pension Client has agreed in the IMA to reimburse NHC for certain out of pocket expenses NHC incurs in connection with the IMA. *Fees Payable to Underlying Funds and Underlying Managers*

In connection with both the Non-Discretionary Services and the Discretionary Services, the Advised Funds invest in other pooled or captive investment vehicles ("Underlying Funds") whose managers (including any trading advisor engaged to provide services to a Managed Account Platform Fund, "Underlying Managers") are generally not related to NHC and typically charge an asset-based fee as well as performance-based compensation, all of which vary and are specific to each Underlying Fund or Underlying Manager. The Advised Funds also indirectly bear their pro rata portion of the brokerage, custodial, administrative, legal, accounting, and other expenses of the Underlying Funds.

## **Item 6. Performance-Based and Side-By-Side Management**

NHC receives performance-based compensation in connection with each of the Non-Discretionary Services and the Discretionary Services Client Adviser Funds as set forth in the Advisory Agreement and the Governing Documents, respectively.

The fact that a significant portion of NHC's compensation (and its investment professionals' compensation) is performance-based creates an incentive for NHC to recommend investments on behalf of the Advised Funds that are riskier or more speculative than would be the case in the absence of such compensation.

Because the NHC's various clients are subject to different levels of performance based-compensation (including differences in hurdle rates and method of calculation and payment of performance-based compensation), NHC may also have an incentive to allocate certain investment opportunities to one client over another because we may stand to gain greater compensation by favouring one client over the other. We have adopted detailed investment allocation policies and procedures designed to provide fair and equitable allocation of investment opportunities to all clients. Certain clients may agree that they have no rights to receive allocations to certain types of investment opportunities. NHC takes any such agreement into account when making decisions regarding allocations of investment opportunities.

In some cases, Underlying Managers may from time to time make us aware of opportunities to co-invest in specific underlying investments. These co-investment opportunities may be allocated at our discretion, but such allocation decisions will generally take into account a variety of factors including for example, the appropriateness of the investment for a particular client, the target size, and the ability of a client to complete the investment within the required timeframe.

The Advised Funds, as well as NHC and its related persons acting, for their own accounts, may enter into agreements under which such Advised Funds, NHC and/or its related persons invest in investment vehicles or accounts of ("Seed Manager Funds") and/or provide capital or debt financing to the investment management or advisory firms that manage or advise such vehicles or accounts ("Seed Managers") in exchange for certain benefits ("Seeding Transaction Benefits"), including, without limitation, the right to receive a portion of the fees, revenues and/or profits that otherwise would be received by the Seed Managers in connection with managing their Seed Manager Funds; and a variety of other rights and entitlements with respect to Seed Manager Funds and/or their Seed Managers, such as investing in such Seed Manager Funds on fee terms that are more favorable than those typically offered by such Seed Manager Funds to their investors or otherwise on a "most favored nations" basis, investment capacity rights and certain veto rights over actions proposed to be taken by the Seed Managers of such Seed Manager Funds – in each case exclusively as a passive investor having no control over the management or investment decision-making of such Seed Managers.



While in many instances the only consideration for receiving Seeding Transaction Benefits is the investment by the participating Advised Fund, NHC and/or its related persons in the Seed Manager Fund managed or advised by the Seed Manager, in certain cases, an Advised Fund, NHC and/or its related persons may provide capital or debt financing to a Seed Manager (either in lieu of or in addition to investing in the Seed Manager Fund), or other services (including assistance with various operational or business matters relevant to the Seed Manager), in exchange for Seeding Transaction Benefits. To the extent that NHC, and not the Advised Funds, is receiving all or any of the Seed Transaction Benefits, NHC has an incentive to recommend that the Advised Funds make an investment in such Seed Manager Fund.

## **Item 7. Types of Clients**

Our clients, the Client Adviser Funds, the NHC Fund, including entities through which the NHC Fund invests and the Pension Client. We generally require a minimum initial investment of \$100,000,000 for launching or maintaining a new account or fund, but we may in the future reduce this requirement at our discretion.

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

NHC's investment objective is to provide the Advised Funds with capital appreciation consistent with their risk and return targets through the allocation of each Advised Fund's portfolio assets among a group of Underlying Managers (any such investments made in Underlying Funds or through separate accounts by the Advised Funds, the "Portfolio"). We seek to maximize returns while (i) minimizing the influence of systematic market risks such as equity, credit and interest rates in order to create a more idiosyncratic risk profile and (ii) controlling drawdown risks in periods of stress. We generally seek to recommend Underlying Managers (i) whose core investment beliefs are broadly aligned with ours (ii) who are expected to provide reasonable transparency regarding the investment process and (iii) who we believe have reasonable portfolio construction and risk management skills. The Underlying Funds take multiple forms, including both pooled, customized and single-investor investment vehicles that are organized as corporations, limited partnerships or other limited liability vehicles and may also take the form of a single entity that engages multiple Underlying Managers to provide investment management services (such a vehicle, including any Managed Account Platform Fund with multiple Underlying Managers, a "Multi-Manager Fund").

The investment opportunities available to the Underlying Funds in which the Advised Funds invest are expected to vary considerably over time and such Underlying Funds are expected to develop new types of investment strategies, and to seek to capitalize on attractive opportunities as markets change, wherever they might be. Therefore, the full range of instruments, industries, contracts and markets in which an Underlying Fund will take positions in over time cannot be specified. The following strategies are illustrative of some but not all of the strategies that an Underlying Fund may pursue. The amount of the total assets and total risk of such Underlying Fund represented by these strategies individually and collectively will vary materially over time. Investment strategies may consist of two or more of these and may not be entirely of any one type. Due to the wide range of investment strategies which may be pursued from time to time, it is not possible to describe all such strategies with specificity, therefore material profit or loss may result from strategies which are not described below (each of the strategies below, an "Investment Strategy").

**Distressed:** Strategies that primarily invest in the debt securities of companies or sovereign countries that are undergoing, or are likely to go through, bankruptcy or other restructuring due to high levels of debt that such companies or sovereign countries cannot pay back or refinance. These strategies also include opportunities in non-performing loans, which are most often collateralized by commercial real estate or other assets.

**Credit Relative Value:** Strategies that broadly focus on exploiting mispricings in corporate credit instruments, including bonds, loans, and derivatives, such as credit default swaps.

Quantitative Equity: Employing an equity long/short strategy in a systematic way, with little to no discretion in the underlying portfolio construction.

Equity Long/Short: Funds primarily investing in the liquid, listed equities of companies. Underlying Managers are expected to conduct a bottom-up research process to identify companies that they believe are trading above or below their perceived view of the fundamental value of the company.

Asset Backed Securities: Funds that seek to identify mispricings in complex securities that are collateralized by pools of other assets.

Arbitrage and Event: Strategies that exploit mispricings in equity, debt, or option instruments that can arise around corporate transactions, including M&A (mergers and acquisitions), IPOs/FOs (initial public offerings/follow-on offerings), and other corporate actions.

Fixed Income Relative Value: Funds that exploit relative value mispricings among liquid fixed-income instruments (typically ones with low credit risk), often using significant leverage.

Global Macro: Funds that trade in a broad range of strategies predicated on movements in underlying economic variables and the impact these variables have on the global equity, fixed-income, currency, and commodity markets. Underlying Managers may employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long, medium, and short-term holding periods.

Specialty Finance: Funds that typically invest in securities or loans backed by various forms of niche collateral and that require a high degree of industry-specific underwriting expertise. It is expected that the types of collateral will vary greatly but may include assets such as intellectual property (TV/film content or pharmaceuticals, among others), aviation and energy.

Insurance/Weather: Funds that sell protection against weather events or natural catastrophes, such as hurricanes and earthquakes, to property insurers/reinsurers.

Trend Following: Funds that exploit the persistent phenomenon of momentum in asset returns (i.e., the relationship between an asset's recent returns with its future returns).

NHC primarily identifies new ideas and Underlying Managers through its own research, including review of publications and dialogue with hedge fund and other investment managers, capital introduction firms or other market experts. After identifying an Underlying Manager, NHC performs due diligence which includes both quantitative and qualitative elements. NHC

endeavours to analyze an Underlying Manager's strategy, philosophy and decision-making process, proprietary models, research and portfolio management systems, and organizational structure as well as the quality of its investment professionals.

The essence of NHC's due diligence is to seek to understand:

- the market inefficiency that the strategy seeks to exploit;
- the edge or cleverness (competitive advantage) that an Underlying Manager brings to the strategy;
- the risks to which the strategy is exposed;

and to assess:

- the skill and qualifications of the Underlying Manager's professional staff;
- the adequacy and competence of the Underlying Manager's non-investment functions (e.g., operations, accounting, compliance, information technology);
- the expected risk and return of the strategy and its expected performance in certain unfavorable market scenarios; and
- the suitability of the strategy in light of the investment objectives and guidelines of the Advised Funds.

Business and operational due diligence generally consists of performing assessments of an Underlying Fund's business and operational factors through meetings and calls with personnel at the Underlying Fund's Underlying Manager. NHC analyzes a variety of items including, for example, an Underlying Manager's business stability, investment pedigree, character references, key person risk, alignment of interests, fairness of fees (a function of quality and quantity of alpha), asset/liability structure, suitability/terms of leverage, internal control environment, pricing procedures, suitability of compliance procedures and the independent oversight provided by an administrator and auditor. NHC from time to time modifies the way in which it implements or carries out any of the investment and operational due diligence processes with respect to particular investments, including to improve our processes.

Certain risks relating to allocating assets among Underlying Managers of Underlying Funds are set forth below. The risks of investing in each Underlying Fund are generally described by such Underlying Funds in their offering documents, which in the case of the Client Adviser Funds, are reviewed and agreed to by the Client Adviser prior to any investment. In addition to the following risk factors, additional risk factors were provided to the investors in the Client Adviser Funds and are contained in the Advisory Agreement and in the Governing Documents.

*Risk of Loss.* Allocating assets to Underlying Managers of Underlying Funds who trade and invest in securities involves risk of loss that clients should be prepared to bear. The following risk factors are not intended to be a full or complete listing of all the risk factors involved in investing, and clients should engage in their own evaluation of these and other potential risks. Past performance of the Portfolio provides no indication of future performance of the investments currently in the Portfolio or any future investment in any Underlying Fund.

*Investment Risks in General.* NHC's investment results will depend on factors that include, without limitation, the availability of the Underlying Funds for subscriptions and NHC's allocation of assets among, and the performance of, the relevant Underlying Funds. The Underlying Funds are expected to utilize highly speculative and opportunistic investment techniques, including, without limitation, (i) leverage, short selling and securities lending; (ii) equity-driven investing; (iii) relative value investing; (iv) investing in non-marketable securities, fixed income securities, commodities, listed and over the counter options, options on securities and securities indices, uncovered option transactions, derivative instruments, forward transactions, futures and options on futures transactions, foreign currency transactions and various swap and swap-like arrangements; (v) tactical and quantitative trading; (vi) investing in workouts and startups, as well as corporate distressed and structured credit opportunities; (vii) making private equity and other illiquid investments; (viii) taking control and/or minority positions, short-term trading, arbitrage, relative value and other trading strategies; (ix) investing in foreign securities; (x) making directional (*i.e.*, investments with net exposure or non-hedged investments), concentrated and non-diversified investments; (xi) financial services, insurance and insurance-related investments; and (xii) real estate, infrastructure and energy-related investments; and (xiii) other exotic instruments. These investment strategies are highly complex, and therefore entail significant risks. Specifically, in the case that Underlying Managers pursue arbitrage, relative value and other trading strategies based on exploiting discrepancies in the pricing of financial assets, the success of an investment in such vehicles depends in large part on the relevant Underlying Manager's ability to identify and exploit such price discrepancies. Identification and exploitation of such opportunities involves uncertainty and there are no assurances that such investment opportunities can be identified or will ultimately be successful. In general, neither NHC nor the Advised Funds will have the ability to direct or influence the management of the Underlying Funds or the investment of their assets. There are certain market conditions in which any given investment strategy is unlikely to be profitable. Neither NHC nor the Underlying Managers have the ability to control or predict such market conditions.

*No Assurance of Investment Returns.* No assurance whatsoever is made that the Advised Funds' investment strategies will be successful or that an Advised Fund will be able to make an investment in any particular Underlying Fund and on what terms. There can be no assurance that the Advised Funds will be able to generate any returns or that the returns will be commensurate with the risks of investing in the Underlying Funds and other transactions. There can be no assurance that

Advised Funds will receive any distributions from their investments in the Underlying Funds. Accordingly, any investment in the Advised Funds should be considered by an investor as speculative, illiquid and long-term. The Advised Funds will generally be investing in Underlying Funds, some of which may have no prior operating or performance histories to evaluate. In addition, one or more of the investment strategies pursued by an Underlying Fund could be new strategies for such Underlying Manager or its investment professionals; for example, a new strategy employed to attempt to opportunistically capitalize on market conditions or to provide broader diversification. Moreover, there may be circumstances where an Underlying Manager pursues a new strategy at the request of and/or co-developed with NHC. In such situations there is a greater risk the Underlying Manager may not successfully implement the new investment approach. Moreover, the past investment performance of an Underlying Manager, its affiliates, investment professionals and/or any of their respective clients (including the relevant Underlying Fund(s)), especially with respect to a new strategy, may not be construed as an indication of the future results of an investment in such Underlying Funds.

*Broad Investment Mandate.* The investment strategy of the Advised Funds is opportunistic in nature and covers a broad range of asset classes and geographic regions. Investors must rely upon the ability of NHC to identify, structure and implement investments consistent with the Advised Funds' overall investment objectives and policies at such times as they determine. The Underlying Funds (and indirectly, the Advised Funds) may make investments throughout the capital structure such as mezzanine securities, senior secured debt, bank debt, unsecured debt, convertible bonds, preferred and common stock, and/or other asset classes using various strategies. It is expected that, in light of the Advised Funds' investment objectives, the Advised Funds may invest in Underlying Funds that make equity, credit and/or other investments. Additionally, the Underlying Funds may invest in any number of companies operating in a wide range of industries, geographies or activities, each of which has its own unique risks. Given this broad investment mandate, it is possible that even an individual Underlying Fund will make diversified investments. As a result, past performance for any Underlying Fund is even more unlikely to be predictive of specific future investments (e.g. repeating the same trade) or investment performance.

*Illiquidity and Actions of Underlying Managers.* Investments in the Underlying Funds recommended by NHC are generally more illiquid than investments in traditional marketable securities. No readily available market exists for interests in the Underlying Funds.

In many cases, the Advised Funds cannot redeem or withdraw assets from an Underlying Fund. To the extent that the Advised Funds have a right to redeem an investment in an Underlying Fund, such right in certain instances is subject to contractual lock-ups or other agreed restrictions as to timing or amount of the redemption or withdrawal. Additionally, some Underlying Managers have the right to impose limitations on such redemptions, including by suspending the determination of the net asset value of the Underlying Fund; suspending redemptions, in whole or in part; imposing gates or restrictions on redemptions above a certain amount or percentage; assigning a majority of

the Underlying Fund assets to a side pocket; paying out redemptions in-kind or distributing certain or all assets into a special purpose vehicle or account. An investment in an Underlying Fund is also generally not transferable except with the Underlying Manager's consent, which may be withheld at its discretion. Consequently, the Advised Funds should generally not expect to be able to liquidate their investments in the Underlying Funds for prolonged periods of time and should therefore be prepared to bear the economic risk of such investment for an indefinite period.

*Lack of Control.* NHC will not control the Underlying Managers, their choice of investments or other investment decisions, which are entirely within the control of the Underlying Managers. NHC will have no control over the day-to-day operations (including the compliance with applicable laws and regulations) of any proposed or existing Underlying Manager.

In addition, NHC will not have any control over the institutions selected by the Underlying Managers for brokerage, clearing and custody services. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of an Underlying Fund.

Further, NHC's investment selection process cannot ensure that Underlying Managers will perform as desired.

*Monitoring Underlying Managers.* NHC ultimately must rely on each Underlying Manager to operate in accordance with the investment strategy and guidelines laid out by such Underlying Manager, and the accuracy of the information provided to the Underlying Fund by such Underlying Manager. While NHC does perform ongoing monitoring of the Underlying Funds, we would not necessarily become aware of undesirable activities at an Underlying Fund, including without limitation, an Underlying Manager's incurring unreported risks, investment style drift or even regulatory breach or fraud.

*Risk Controls.* NHC will not control the risk controls or compliance procedures of Underlying Managers and as we have no assurances that the Underlying Managers' risk controls and procedures will be adequate to avoid adverse results.

*Multi-Manager Approach.* While the use of the multi-manager and multi-strategy approach may provide some diversification of investment risk, no assurance can be given that such diversification will occur, or that if it does, that it will increase, rather than reduce, potential net profits. Also, the use of multiple managers may cause an Advised Fund indirectly to hold opposite positions in an investment, thereby decreasing or eliminating the possibility of positive returns from such investment.

*Incentive-Based Compensation Arrangements of NHC and the Underlying Managers.* The Underlying Managers generally will be compensated through incentive-based arrangements, as is NHC. Under such arrangements, NHC and the Underlying Manager will often benefit from appreciation, including unrealized appreciation, in the value of the Underlying Fund, but in certain



instances will not be similarly penalized for realized losses or decreases in the value of the Underlying Fund. Such fee arrangements create an incentive for NHC and the Underlying Managers to make purchases that are unduly risky or speculative.

*Asset-Based Compensation.* In addition to incentive-based compensation, a portion of NHC's compensation is derived from an asset-based management fee and the overall amount of fees that NHC will receive will increase as the Portfolio's net invested assets under management increase. This may incentivize NHC to recommend investing in Underlying Funds more quickly or to delay in recommending the redemption from an Underlying Fund than if such arrangements were not in place.

*Confidentiality and Related Constraints.* In the course of its investment process, the Advised Funds may be required to enter into confidentiality agreements with Underlying Managers that may prohibit the Advised Funds and their investors from publicly disclosing sensitive information relating to an Advised Fund, an Underlying Fund or its investments. These arrangements could either restrict the information that the Advised Funds are permitted to share with their investors or could possibly result in liabilities in certain circumstances. In order to mitigate the risk of exposing the Advised Funds to these categories of liability, the Advised Funds may choose, but are not required, to decline such investment opportunities or to limit the information otherwise to be provided to their investors. As a result, the Advised Funds' investment flexibility and may be constrained, which may adversely impact the performance of the Advised Funds. Additionally, in connection with evaluating a transaction, an Underlying Manager may require the Advised Funds or NHC to agree to certain restrictive covenants which could impair NHC's ability to pursue the related investment (among other restrictions).

*Access to Information.* NHC requests information from each Underlying Manager regarding the relevant Underlying Fund's historical performance and investment strategy. We also request portfolio information on a continuing basis from each Underlying Manager. However, NHC will not always be provided with such information for a variety of reasons, including if certain of this information is considered proprietary information by an Underlying Manager. Additionally, the Underlying Funds in which the Advised Funds invest are generally not offered pursuant to registration statements effective under the Securities Act and Underlying Funds generally are not subject to the periodic information and reporting provisions of the Securities Exchange Act of 1934, as amended. This lack of access to information makes it more difficult for us to monitor the Underlying Funds and/or make appropriate recommendations regarding various actions in relation to the selection and allocation of assets among Underlying Managers or the redemption of assets already invested in Underlying Funds. Additionally, NHC generally does not have access to information regarding the investment activities of affiliates of the Advised Funds that are not advised by NHC. As such, there is the potential that interests of these non-advised affiliates and those of the NHC's clients or the Underlying Funds could become conflicted in a manner that NHC is unable to identify, monitor or work to resolve.

*Weaknesses in the Valuation Policies or Procedures of Underlying Funds.* Neither NHC nor the Advised Funds have control over the valuation policies or procedures employed by the Underlying Funds or their respective Underlying Managers or administrators and NHC is not responsible for confirming the accuracy of any of the valuations provided by any of them. There may be differences among the Underlying Funds with respect to the valuation of the same assets due to differences in valuation policies and procedures. Weaknesses or differences in the valuation policies or procedures of Underlying Funds, their administrators, or the Underlying Managers could materially impact Underlying Fund performance and the fees payable to NHC. To the extent that an Underlying Manager, or other non-independent party, determines the value of an Underlying Fund's assets, it may face a conflict of interest in valuing such assets because of the effect of such value on its compensation.

*Forward-looking Statements and other Information.* From time to time, NHC may provide the Advised Funds with reports, analysis and other materials that may contain forward-looking statements, such as, for example, levels of expected returns or expected risk associated with an existing or potential Underlying Fund or the portfolio as a whole and forecasts regarding sources and uses of cash. These forward-looking statements, as well as other statements contained in these reports, analysis and other materials may be based on information provided by third parties that NHC believes to be reliable but does not independently verify and, as such, NHC cannot guarantee that any of the forward-looking statements made in such materials will become true. To the extent that investors in the Advised Funds rely on any information that NHC provides to any of them in deciding to make any investment or divestiture, differences between actual events and the forward-looking statements contained in materials provided by NHC could result in significant investment losses, including loss of principal. Moreover, certain information contained herein constitutes forward looking statements, which often can be identified by the use of forward-looking terminology such as “may,” “will,” “seek,” “should,” “could,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” “target,” “plan,” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of an Underlying Fund or the Advised Funds overall differ materially from those reflected or contemplated in such forward-looking statements.

*Hedging Transactions.* Underlying Funds from time to time engage in hedging transactions (such as forwards, short sales, swaps or options on currencies, interest rates, securities and indices) to attempt to mitigate risk of loss. However, it is impossible to fully hedge an investment due to the impossibility of identifying all possible risks, the uncertainty as to the economic factors to which an investment's performance is sensitive, the amount and timing of projected cash flows and investment returns and the cost to obtain sufficient hedges. It is also possible, in certain situations, that hedges will increase risk rather than reduce it. In certain hedging transactions NHC provides guidance to certain Underlying Managers on the desired level of risk exposure based on our

estimates of the Underlying Funds' risk, return and other assertions that later prove to be inaccurate. The success of any hedging transactions will be subject to the ability of the Underlying Manager, or NHC in certain instances, to correctly identify the risk and predict correlations between the value of portfolio assets and the direction of external factors such as currency exchange rates, interest rates and securities prices. The effectiveness of a hedging technique depends upon the extent to which price movements in assets that are hedged correlate with price movements of the hedging instrument selected, and unanticipated changes may result in a poorer overall performance for the Advised Funds than if the Advised Funds had not entered into such hedging transaction. Conversely, there may be identified risks in the Advised Fund's portfolio that are not hedged because adequate hedging transactions may not be possible or advisable to enter into based on available terms.

*Role of NHC and its Investment Professionals.* The Advised Funds, and thereby investors in the Advised Funds, are dependent upon the skill and experience of NHC and its investment professionals. There is ever increasing competition among alternative asset firms, financial institutions, private equity firms, hedge fund firms, investment managers and other industry participants for hiring and retaining qualified investment professionals, and there can be no assurance that such investment professionals (or former investment professionals) or any other personnel will continue to be associated with NHC for any fixed period of time. The loss of the services of one or more of such persons could have a material adverse impact on the Advised Funds' ability to realize its investment objectives.

*Emerging Underlying Fund/Underlying Manager Investments.* The Advised Funds may invest in Underlying Funds that are controlled by small and/or emerging Underlying Managers. Therefore, certain of the Underlying Funds may not have commenced operations and will lack operating histories on the basis of which NHC may evaluate their performance. Such Underlying Funds may also have principals that have not worked together as a group before, have not worked together as a group for a significant period, or have not previously worked as investment professionals. Moreover, Underlying Managers in an early stage of formation or operation pose a number of operational and other issues. For example, in its early stages, an Underlying Manager may have little capital available to cover expenses and, accordingly, may have difficulty attracting qualified personnel. Such Underlying Managers may face competition from other investment funds, which may be more established, have a larger number of qualified management and technical personnel and benefit from a larger capital base. Such investments are therefore often riskier than investing with more established Underlying Managers. These risks also extend to agreements with NHC and a Seed Manager that enters into an agreement in exchange for Seeding Transaction Benefits. In most instances the value of any Seed Transaction Benefits is contingent on the success of a Seed Manager's business overall and because many Seed Managers are themselves emerging managers, such Seed Transaction Benefits are uncertain to be profitable or valuable.

*Socially Responsible Investments.* The Client Adviser maintains a policy that requires it to invest in a socially responsible manner. This focus may cause the Advised Funds (i) to be unable to take advantage of certain investment opportunities; (ii) difficulty finding a sufficient number of attractive opportunities and/or (iii) to withdraw from an investment at an inopportune time. When reviewing and monitoring investments for socially responsible investing issues, NHC may rely on information provided by the Underlying Managers. If an Underlying Fund provides incorrect information or fails to provide material information regarding its investments or if such information is not available, NHC's evaluation process may not be implemented correctly and therefore, may fail to identify potential investments which adhere to the socially responsible investment mandate or may fail to screen out investments which do not adhere to the socially responsible investment mandate. In such case, investors in the Advised Funds could be the subject of negative publicity and suffer from reputational harm. Additionally, NHC's evaluation process may lead it to forego the opportunity for the Advised Funds to make an attractive investment on the mistaken belief that such investment would not satisfy the Client Adviser's socially responsible investment policy. Any such failure would likely harm the Advised Funds' investment returns.

*Operational Risks.* NHC and the Underlying Managers rely on financial, accounting and other data processing systems. If any of these systems do not operate properly or are disabled, whether as a result of tampering or a breach of network security systems, interruption from computer viruses, network failures, computer and telecommunication failures, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes, or otherwise, an Advised Fund and the Underlying Funds could suffer, among other things, financial loss, liability to customers/investors, disruption of businesses and reputational damage. In addition, NHC's operations and those of the Underlying Manager's rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Although NHC has implemented, and the Underlying Managers will likely have implemented, protective measures, its computer systems, software and networks may be vulnerable to unauthorized access, theft, misuse, computer viruses or other malicious code and other events that could have a security impact, and NHC and/or the Underlying Managers, as applicable, may have to make a significant investment to fix or replace such systems. If one or more of such events occur, the Advised Funds' and the Underlying Fund's investors' confidential information processed and stored in, and transmitted through, NHC's and the Underlying Manager's computer systems and networks could be jeopardized. Further, NHC may rely and certain Underlying Managers may rely on third-party service providers (including, without limitation, administrators and custodians) for certain aspects of their business. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair the quality of the operations, subject any such entity and its affiliates to legal claims and otherwise affect its business and financial performance and could affect their reputation, which could have an adverse effect on an Advised Fund.

*Cross-Collateralization.* Certain of the Underlying Managers may offer investment opportunities in different series or classes of an Underlying Fund to permit their investors, including the Advised Funds, to participate in different investment opportunities or multiple strategies. It is expected that in many cases any debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series or class will not be enforceable only against the assets of such series or class, as applicable, and instead against the assets of the relevant Underlying Fund generally, and that the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to such Underlying Fund generally or any other series or class thereof will be enforceable against the assets of such series or class. In these cases, it is likely that losses sustained in respect of a series or class of interests in excess of the assets attributable to such series or class will be charged against the assets of another series or class of interests. Additionally, because the cross-collateralization provisions with respect to the classes are contractual only, third party creditors which are not bound by such Underlying Fund's governing agreement may be able to enforce their claims with respect to a class against the assets of other classes. The above risks apply equally to Multi-Manager Funds, which may cross-collateralize to the same extent as an Underlying Fund.

*Reliance on Third-Party Valuations.* There is not expected to be any readily available market for many of the Advised Funds' investments, and such investments may be difficult to value. Where NHC is responsible for valuing the assets of the NHC Fund (or where the Client Adviser is valuing the assets of the Client Adviser Funds), NHC or the Client Adviser will generally rely on the Underlying Managers or other third parties associated with the Underlying Managers to determine the valuation of such portfolios, including the determination of the net asset value of the relevant Advised Fund. In the case of the NHC Fund, absent bad faith or manifest error, the valuation determinations of NHC, will be conclusive and binding on the NHC Fund and its investors. There can be no assurance that the values assigned to an Underlying Fund's investments will equal or approximate the price at which such investments may be sold or otherwise liquidated or disposed of from time to time. Moreover, to the extent that NHC assists with determining the valuation of an Underlying Fund's investment, NHC would make a judgment regarding the valuation based on objective criteria; nonetheless, NHC has an inherent incentive to overvalue such an investment because a higher NAV increases the fees payable to NHC.

*Risks Relating to Due Diligence.* In connection with making investments in the Underlying Funds, NHC may rely on the due diligence conducted by the Underlying Managers or other third parties. Likewise, the Underlying Managers may also rely on due diligence conducted by third parties. Underlying Managers, NHC or other third parties (whether engaged by NHC or an Underlying Manager) are expected to conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence, whether conducted by NHC, an Underlying Manager or a third party may entail evaluation of important and complex business, financial, tax, accounting, environmental, regulatory, political, and/or legal issues, and

there is no assurance that every possible issue with respect to an investment will be identified. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. There is a risk that the analysis and/or due diligence conducted by NHC, an Underlying Manager or a third party may be materially incorrect, incomplete and/or inconsistent over time. In addition, the due diligence investigation that NHC, an Underlying Manager or a third party carries out with respect to any Underlying Fund may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such Underlying Fund. Such risks are likely to be greater when the time and/or information available to NHC, an Underlying Manager or a third party to evaluate an Underlying Fund is limited. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to mitigate risks identified through due diligence with respect to investments will achieve their desired effect.

*Coronavirus and Public Health Emergencies.* As of the date of this brochure, the novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization previously declared to constitute a “Public Health Emergency of International Concern” continues to adversely impact global commercial activity. The outbreak of COVID-19 has resulted in numerous deaths and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak continues to evolve, and many countries continue to react by instituting (or strongly encouraging) new quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses continue to operate under similar precautionary measures. Such measures prolong the disruption in supply chains and we are experiencing a sustained impact on economic activity and continue to see adverse impacts on transportation, hospitality, tourism, entertainment and other industries. As the COVID-19 strain mutates, uncertainty remains, which may once again lead to governments and businesses taking repeated aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts are uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on an Advised Fund and its Underlying Funds and could adversely affect an Advised Fund’s ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on an Advised Fund’s and their Underlying Funds’ operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local

supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of an Advised Fund and its Underlying Funds, an Advised Fund's ability to source, manage and divest investments and an Advised Fund's ability to achieve its investment objectives, all of which could result in significant losses to an Advised Fund. In addition, the operations of an Advised Fund, its Underlying Funds, and NHC may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

**Item 9. Disciplinary Information**

NHC and its management persons do not have any material legal or disciplinary events to report.



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

NHC has registered with the Commodity Futures Trading Commission as a commodity pool operator and is a member of the National Futures Association.

In connection with its services to the Advised Funds, NHC personnel or principals sometimes serve on advisory boards or committees to Underlying Managers.

Except with respect to Seed Managers (as described above in Item 6), we receive no compensation, directly or indirectly, from Underlying Managers recommended to the Advised Funds.

NHC is also affiliated with NHC Bleecker GP LLC, which serves as the general partner of the NHC Fund.

## **Item 11. Code of Ethics, Interest in Client Transactions and Personal Trading**

NHC maintains a Code of Ethics (the “Code”) that obligates NHC and its employees to put the interests of the Advised Funds before their own interests and to act honestly and fairly in all respects in their dealings with Advised Funds. All of our personnel are also required to comply with applicable federal securities laws. Clients may obtain copies of the Code by contacting Nick Rontiris (Chief Compliance Officer) by e-mail at [nrontiris@newhollandcapital.com](mailto:nrontiris@newhollandcapital.com).

Persons subject to the Code are subject to, among other things, various restrictions relating to the acquisition by them of securities. These restrictions include pre-authorization and disclosure requirements as well as general prohibitions on transactions in securities in certain circumstances, including when in possession of inside information and of issuers on NHC’s restricted trading list. Except for certain types of securities that are permitted to be traded without preclearance, the Code requires the prior approval of NHC’s Chief Compliance Officer and the satisfaction of certain conditions in order for any person subject to the Code to engage in the purchase or sale of any security.

NHC, in the course of its investment advisory activities, may come into possession of confidential or material non-public information about issuers, including issuers in which Underlying Managers have invested or seek to recommend an investment in on behalf of the Advised Funds. NHC is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is an Advised Fund. NHC maintains and enforces policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to ensure that NHC is meeting its obligations to the Advised Funds and remains in compliance with applicable law.

The Code also addresses the fiduciary duties expected of the persons subject to the Code, including, for example, client opportunities and personal trading.

## **Item 12. Brokerage Practices**

As a general matter, NHC does not direct brokerage or have any soft dollar arrangements with respect to the Advised Funds. Other than completing subscription agreements on behalf of the NHC Fund for its investments in Underlying Funds and managing the NHC Fund's cash or cash equivalents, NHC does not execute trades on behalf of the Advised Funds. Rather, the Advised Funds invest through private placements in Underlying Funds at the prevailing monthly net asset value.

On rare occasions, the NHC Fund may receive in-kind redemptions from Underlying Funds (which could include securities or other financial instruments held by a Managed Account Platform Fund), in which case NHC will liquidate such amounts or transfer such amounts to another Underlying Fund. On other rare occasions, NHC may need to liquidate the assets of a Multi-Manager Fund upon termination of an Underlying Manager that NHC has engaged to provide services to such Managed Account Platform Fund, if the Underlying Manager does not liquidate the assets over which it had trading authority by the effective date of termination. In those cases, NHC will hire a third party to manage or liquidate the investments.

The Underlying Managers also engage in brokerage activities for the Managed Account Platform Funds. As part of the initial due diligence process and on an ongoing basis, NHC reviews the brokerage practices of these Underlying Managers. The prime brokers, futures commission merchants, and other derivatives counterparties of each Managed Account Platform Fund are selected by NHC in consultation with the relevant Underlying Manager based on factors such as the prime broker's or counterparty's overall performance, pricing, and operational capabilities. Under the terms of each trading advisory agreement between a Managed Account Platform Fund, each Underlying Manager will be responsible for arranging for the execution of all orders for the purchase and sale of securities and other investments with respect to the applicable Managed Account Platform Fund. The Underlying Manager is required to seek best execution for that Managed Account Platform Fund. The Underlying Manager, to the extent permitted by applicable laws and regulations, may aggregate the investments to be purchased or sold on behalf of its clients to attempt to obtain a more favorable price, lower brokerage commissions or efficient execution.

Under the terms of each trading advisory agreement, if an Underlying Manager generates "soft dollars" with respect to the trades of the applicable Managed Account Platform Fund, such Underlying Manager will be required to comply with the safe harbor of Section 28(e) of the Exchange Act, with respect to such trades.

### **Item 13. Review of Accounts**

NHC monitors the Advised Funds on an ongoing basis. Ongoing monitoring consists primarily of reviewing information provided by the Underlying Managers and conducting periodic monitoring meetings and/or conference calls. Day to day responsibility for monitoring is conducted primarily by the portfolio manager and portfolio analyst at NHC who are assigned to cover the Underlying Fund and is generally reviewed on a quarterly basis by NHC's principals).

NHC monitors the aggregate portfolio risk characteristics of the Advised Funds on a periodic basis with a focus on the aggregate expected exposure of such Advised Funds to common market factors (e.g., equity beta) and the expected loss of the Portfolio in certain unfavorable scenarios.

NHC's investment committee is responsible for monitoring the Portfolios of the Advised Funds and ensuring that they are managed in accordance with their stated investment guidelines and does so in connection with each new investment proposal and also on a monthly basis through internal portfolio reports. Any issues that are identified in connection with investment guidelines are raised to the Chief Compliance Officer for resolution.

Significant events affecting an Underlying Fund or the Advised Funds' respective portfolios in aggregate may trigger additional reviews if we believe it is warranted.

We provide written monthly performance reports to the Advised Funds. Such reports currently include monthly NAV estimates for the portfolio as a whole and the Underlying Fund investments, performance attribution among investment strategies, market commentary, and sources and uses of cash forecast.

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

Other than in connection with investments by the Advised Funds in Seed Managers, as further described in Item 6 above, NHC does not receive compensation for providing advice to the Advised Funds from anyone who is not a client, and we do not compensate any individual or institution for client referrals.

Our personnel may receive or give a gift, favor or other items of value in the course of carrying out NHC's business. To address conflicts that may arise, NHC requires that employees obtain preclearance prior to accepting gifts and certain types of business entertainment worth more than US\$250, as more fully described in NHC's Code.

## **Item 15. Custody**

Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the “Custody Rule”) defines custody as holding client securities or assets or having any authority to obtain possession of them. NHC does not have custody of the Client Adviser Funds but is deemed to have custody of the assets of the NHC Fund, over which NHC exercises discretion.

To comply with the relevant requirements of the Custody Rule, the NHC Fund is subject to an annual audit by an independent public accountant and the audited financial statements are provided directly to investors in the NHC Fund within 180 days of the Fund’s fiscal year end.

## **Item 16. Investment Discretion**

NHC does not have investment discretion with respect to the Non-Discretionary Services provided to the Client Adviser Funds. However, NHC may (i) negotiate (but not execute) contracts on behalf of the Client Adviser Funds and (ii) provide guidance to Underlying Managers on the desired level of risk exposures within the constraints of the Advisory Agreement.

NHC manages the NHC Fund on a discretionary basis, which means that NHC has the authority, subject to the terms of the Governing Documents, to decide which investments to make on behalf of the NHC Fund and its wholly-owned subsidiaries that are also managed by NHC.

## **Item 17. Voting Client Securities**

NHC solely recommends investments in Underlying Funds managed by Underlying Managers, as such, it is highly unlikely that we would ever be in a position to vote proxies or cast votes related to class actions with regard to the securities held by an Underlying Fund. However, Underlying Managers, from time to time, seek votes from investors in Underlying Funds (such as the Advised Funds) regarding amendments to Underlying Fund documentation or waivers for certain conflicts of interest that arise as a result of managing the Underlying Fund. The Client Adviser Funds are directly responsible for casting all such votes, although NHC will offer its advice if appropriate and upon request (although NHC will not accept the authority to vote proxies). NHC has direct responsibility for casting all such votes in connection with the NHC Fund. If the NHC Fund were to receive distribution of an asset in kind and such asset would subsequently give rise to a proxy voting request, we would seek to take action on such request in the best economic interests of the NHC Fund in accordance with our policies and procedures.



## **Item 18. Financial Information**

NHC is required to disclose any financial condition that is likely to impair its ability to meet contractual and fiduciary commitments to clients.

NHC does not have any financial condition that impairs or is reasonably likely to impair its ability to meet its contractual commitments to its clients, and NHC has never been the subject of any bankruptcy petition.

**Item 19. Requirements for State-Registered Advisers**

Not applicable.