

Asia Debt Management Hong Kong Limited

**Suite 1008, ICBC Tower, 3 Garden Road,
Central, Hong Kong**

**July 2021
CRD: 162215**

This brochure provides information about the qualifications and business practices of Asia Debt Management Hong Kong Limited. If you have any questions about the contents of this brochure, please contact us at +852 2536 4567 or email at alex.shaik@admcap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration of an investment adviser does not imply that Asia Debt Management Hong Kong Limited or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Asia Debt Management Hong Kong Limited is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Since the previous filing of Asia Debt Management Hong Kong Limited's ("**ADM Capital**") brochure in June 2020, ADM Capital has made final liquidation distributions of ADM Capital Skyfall V LP in March 2021.

Item 3: Table of Contents

Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business.....	4
Item 5: Management Fees	5
Item 6: Performance-Based Fees.....	5
Item 7: Types of Clients	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9: Disciplinary Information.....	12
Item 10: Other Financial Industry Activities and Affiliations.....	12
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Item 12: Brokerage Practices.....	13
Item 13: Review of Accounts	14
Item 14: Client Referrals and Other Compensation	14
Item 15: Custody	14
Item 16: Investment Discretion	14
Item 17: Voting Client Securities	15
Item 18: Financial Information.....	15

Item 4: Advisory Business

Our Firm

Asia Debt Management Hong Kong Limited (“**ADM Capital**”, “**we**” or the “**Firm**”) is a company limited by shares incorporated in Hong Kong on November 12, 1996. ADM Capital is licensed by the Securities and Futures Commission in Hong Kong to conduct Type 9 (Asset Management) activities and was registered as an Investment Adviser with the Securities and Exchange Commission of the United States of America on 30 June 2018.

As of the date of this filing, ADM Capital provides investment advisory services to ADM Asia Secured Lending Facility Limited, ADM Capital Somei Lending Platform Limited, ADM Capital Skyfall III LP, Senna Fund LP, ADM Capital Limosa Fund LP, ADM Galleus Fund I Limited, ADM Galleus Fund II Limited, ADM Galleus Fund III LP, Permal ADM European Debt Fund Ltd., The ADM Maculus Fund II L.P., The ADM Maculus Fund III L.P., The ADM Maculus Fund V L.P (collectively, the “**Funds**”). The Funds are exempted from registration under the Investment Company Act of 1940. ADM Capital also provides advisory service to clients.

Principal Owners

ADM Capital is 99.99% owned by its Chief Executive Officer, Christopher Robert Botsford with the remainder owned by his wife, Caroline Botsford.

Client Types

ADM Capital serves as an Investment Advisor to the Funds, which are exempted from registration under the Investment Company Act of 1940, and provides advisory and discretionary services to other exempt funds and clients.

Types of Services Offered

ADM Capital provides investment advisory services to the Funds in accordance with the investment objectives described in the Funds’ offering documents, articles of association, agreements or investment mandates as amended and supplemented from time to time (“**Offering Materials**”). The Fund may impose restrictions on investing in certain securities or types of securities by virtue of letter agreements or other similar agreements (“**Side Letters**”) providing different rights and benefits.

As of 31st March 2021, ADM Capital managed approximately US\$1.79 billion of regulatory assets under management on a discretionary basis.

Item 5: Management Fees

The fees applicable to the Funds are set forth in detail in the Funds' Offering Materials; with respect to all share classes, the Firm receives a management fee ranging up to a maximum of 2.0 per annum in respect of the net asset value ("NAV") of the Funds ("Management Fee"). The Management Fee of each Fund is calculated and accrues as at each relevant valuation day of the Fund, based on either the NAV/NAV invested or the Capital Commitments/Commitments Drawn Down of the relevant Fund (or sub-fund) as at the relevant valuation day. The details are provided in each Fund's Offering Materials.

Each Fund pays for its organisational expenses in accordance with its Offering Materials. Each Fund also pays for portfolio investment related expenses incurred by the Firm (or its affiliates) on behalf of the Fund including, but not limited to, out-of-pocket expenses, due diligence costs, legal expenses and travel and accommodation expenses relating to the acquisition, holding and disposal of actual or potential portfolio investments and other assets, together with all fees and expenses due to any non-affiliated legal, financial, environmental, accounting, consulting or other non-affiliated advisors or any lenders, investment banks/brokers and other financing sources, including those of the foregoing expenses related to proposed portfolio investments of the Funds that are not consummated. Each Fund also pays for non-investment related operational and administrative expenses, including but not limited to Board of Directors'/Advisory Board fees and their reasonable travel expenses, Directors' and Officers' indemnity insurance premiums and other professional indemnity insurance expenses, valuation consultants' costs, expenses of audit, legal, fund administration and accounting, tax preparation, corporate services fees, banking, custodian and other professional service providers appointed by the Funds and all other operating and administrative expenses.

The Funds will also incur and pay for all investment expenses related to trading or dealing in the assets including custodial fees, brokerage commissions, clearing fees, transfer or stamp taxes, and other transaction costs.

Item 6: Performance-Based Fees

All Funds are subject to performance-based compensation arrangements as agreed with clients in the Offering Materials. The General Partner/Manager/Project Advisor of each Fund typically receives certain allocations calculated and charged based on a share of the net asset value increase in, or exit distributions to investors from, the assets of the Fund. The performance-based allocation arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940. Performance-based allocations to the General Partner/Manager/Project Advisor of the Funds are separate and distinct from the advisory fees paid to the Firm by such General Partner/Manager/Project Advisor for the Firm's investment advisory services.

Performance-based allocation arrangements received by a Fund's General Partner/Manager/Project Advisor may create an incentive for the Firm to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Please refer to the Offering Materials of each Fund for more complete information on the performance-based allocation arrangements of such Fund.

Item 7: Types of Clients

ADM Capital provides investment advice to the Funds (or the General Partner/Manager/Project Advisor of the Funds). Investors in the Funds must qualify as accredited investors and qualified eligible persons.

The minimum initial investment amount for the Funds general share class is as below:

ADM ASIA SECURED LENDING FACILITY LIMITED	USD 5,000,000
ADM CAPITAL SOMEI LENDING PLATFORM LIMITED	USD 2,500,000
ADM CAPITAL SKYFALL III LP	USD 511,000
SENNA FUND LP	USD 263,068
ADM CAPITAL LIMOSA FUND LP	USD 420,000,000
ADM GALLEUS FUND I LIMITED	USD 5,000,000
ADM GALLEUS FUND II LIMITED	USD 25,000,000
ADM GALLEUS FUND III LP	USD 250,000
PERMAL ADM EUROPEAN DEBT FUND LTD.	USD 100,000
THE ADM MACULUS FUND II L.P.	USD 1,000,000
THE ADM MACULUS FUND III L.P.	USD 5,000,000
THE ADM MACULUS FUND V L.P.	USD 5,000,000

In certain circumstances, the Board of Directors of the Funds may, in their sole discretion, determine the minimum subscription per investor in a case or generally subject to all applicable legal requirements.

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

Investment Objective

ADM Capital's core strategy is private credit and special situations investments, predominantly in the Asia-Pacific region. The firm provides investment advice to several private funds with different organisational structures and/or objectives based on this core strategy.

The investment objective of ADM Galleus Fund I Limited and ADM Galleus Fund II Limited is to achieve long-term capital appreciation by investing in mainly, but not only private credit and special situations investments, and not exclusively, in Asia-Pacific region. These are both open-ended funds.

The investment objective of ADM Asia Secured Lending Facility Limited and ADM Capital Somei Lending Platform Limited is to invest in secured investments (primarily but not exclusively debt instruments) involving recovery, restructuring, growth and other special situations investment opportunities in emerging Asian markets in China and South East Asia. These are both closed end funds.

The investment objective of ADM Capital Skyfall III LP and Senna Fund LP are to acquire the shares / bonds issued by the listed companies in Europe and to subsequently hold, manage and dispose of the shares / bonds. These are closed end funds.

ADM Capital Limosa Fund LP is closed end fund with a single investor. The fund's primary investment objective is to provide primarily secured financings to small and mid-sized companies in the Asia-Pacific region.

ADM Galleus Fund III LP is closed end fund and provide long term, primarily secured financing to mid-sized companies across Asia-Pacific region. Investments are structured to provide income, limit downside and achieve equity upside.

The ADM Maculus Fund II L.P., The ADM Maculus Fund III L.P. and The ADM Maculus Fund V L.P., which are all now in their realisation or liquidation phase and no longer open for investment, had an investment objective of achieving long-term capital appreciation by

investing in primarily, but not exclusively, distressed, undervalued or event driven opportunities and recovery situations primarily, but not exclusively, in Asia and Europe.

Permal ADM Europe Debt Fund Limited focuses on European distressed debt, high yield and other credit opportunities.

Investment Strategies

ADM Capital's investment strategy is to use credit specialist skills, fundamental analysis and local market expertise to invest in private credit and special situations opportunities, primarily in Asia.

We focus on private loans where ADM Capital typically is the only or leading lender, and aim to control corporate governance via strong debt style finance documents, board of directors' positions and cash monitoring mechanisms. We seek secured lending structured with a cash coupon, principal amortisation based on the free cash flow of the borrower, and strong asset cover. We focus on tight covenants and seek strong investment documentation resulting in the ability to perfect security at a local level. ADM Capital looks to align our interest with the owner(s) of the business, however retain the ability to enforce financial management change when necessary. The Firm's private credit strategy includes equity upside sharing, minority equity, warrant, or exit premium structures. ADM Capital does not typically engage in hostile transactions, asset strip, loan-to-own or take majority buy-out equity control of companies.

The Funds' investment strategy is implemented using a tried and tested four-part approach, including due diligence, sourcing, structuring, and exit. The focus is on special situations or private credit where thorough due diligence and innovative structures is used to align interests and unlock value. Such situations often arise where there has been dislocation in regular banking markets or restricted liquidity, resulting in borrower's encountering financing difficulties that are typically complex or command specialist skills to exploit. Key to this analysis is value creation by alignment of interests and capturing counterparty cashflows, downside protection, and innovative structures.

One of the Funds' key strengths is in seeking to achieve uncorrelated risk adjusted returns for our capital throughout the investment cycle. Our fundamental approach to company specific credits should result in a portfolio that is less correlated with other investment strategies during market weakness. A key weakness is the exposure to systemic risk (including market risks, legal, financial and political risks) of investing in emerging markets in the Asian region. However, we believe that Asia offers unique potential for outsized returns. Competition is minimised as few firms have the network, reputation and experience developed over 20 years of investing in Asia-Pacific region which is possessed by the team at ADM Capital.

Investment Process

- (1) *Sourcing*: ADM Capital has operated in emerging markets for 20 years and has developed a strong set of local and regional contacts. We will typically generate our own investment ideas, with almost all deal sourcing being self-generated with minimal reliance on investment banks or other third party financial intermediaries for deal flow. Central to this process is extensive due diligence which is conducted on the ground in each country prior to investing, as well as a continuous cycle of company management interviews. Such diligence may include significant shareholders, corporate executives as well as suppliers, customers and competitors. ADM Capital also undertakes to maintain this information flow edge through continuous re-visiting of these companies and stakeholders. In addition to the diligence process, ADM Capital devotes significant time to studying the business models of target companies. This might include modelling predicted and actual cash flows in order to ascertain the dynamic between revenue, costs,

cash flows and balance sheet, as well as forecasting key valuation criteria such as EBITDA, free cash flow and the debt service ability of the restructured company. ADM Capital also frequently visits industry professionals, lawyers / accountants, local boutiques and government contacts within Asia in order to remain current with the changing business, legal and tax landscape that might affect portfolio assets. After an investment idea has been sourced by a front office analyst, the concept is written up for preliminary review by ADM Capital's Investment Advisory Committee (referred to internally as a "concept note").

- (2) *Due Diligence:* If approval of the "concept note" is granted, the investment analyst will proceed with more rigorous and formal financial, legal, environmental, accounting, tax, operational and industry review, as well as appropriate reputation checks. This will involve engaging external professional advisers such as industry specialists and working with legal counsel and tax specialists on the proposed investment structure. Due diligence involves fundamental research, quantitative research and structuring:

- *Fundamental research:* The primary focus is to discover if the target company's business is sound but financially stressed, and if so, why. Particular emphasis is paid to existing management and shareholders. In conducting this analysis, it is also important to give consideration to political and governmental attitudes, which may be pivotal to the on-going activities of the business. The research and valuation, and applicable bankruptcy laws and rehabilitation rules play an important part in any investment decision.
- *Quantitative research:* This is achieved through asset coverage tests and liability analysis. Financial metrics such as debt/asset ratios, adjusted total debt/earnings ratios, free cash flow, future financing burden and estimated capital expenditure needs may be tested. Additionally, the company's organisational structure and capital structure are important in determining debt sustainability. Modelling of how the new capital structure will hold up to currency fluctuation, raw material prices and sales volumes, can determine value as well as the ability and willingness of companies to sell identified non-core assets. Such models provide ready measures of debt value.
- *Structuring:* Correct structuring is essential and is often pivotal to the success or failure of the investment. Whether it is the redesign of the capital structure, cash collection or distribution, it is essential to ensure the right structure is put in place for maximum value creation whilst minimising risk. ADM Capital's core employees have strong structured finance backgrounds from working in private credit for many years. With wide-ranging expertise, the group is well placed to consider a broad range of proposals involving structuring, strategy and corporate management, and may include financial restructuring, business restructuring, management change, ownership change or a combination of any of the foregoing.

- (3) *Investment Advisory Committee Approval:* The full due diligence findings are brought to the Investment Advisory Committee for final review and approval and documentation is reviewed by internal counsel.
- (4) *Risk Management and Allocation:* Following approval, a potential investment is referred to ADM Capital's Allocation Committee for allocation to the relevant Fund, including input from the ADM Capital's Legal Department, Fund Administration Department and Risk Management Department for review of internal and external objectives and parameters for each relevant Fund.

- (5) *Execution and trade capture*: Following approval, the transaction documentation is executed by appropriate authorised signatories and captured by ADM Capital's Fund Administration Departments; a reconciliation is conducted with records maintained by the Fund's external Fund Administrator.
- (6) *Managing the investment*: ADM Capital spends considerable time working with existing management to create value by focusing on four key areas:
- *Operations*: The focus here is to improve efficiencies and implement environmental and social standards. This is often achieved through the appointment of outside consultants, appointment of new operations management and targeted capital expenditure to utilise capacity.
 - *Financial*: Team leaders work closely from day one with the finance functions in order to introduce a focus on cash flows, free cash flow generation, working capital optimisation and balance sheet maximisation. The use of monitoring accountants is typical and monthly reports are generated by this party to monitor cash flows in the company.
 - *Strategic*: Reviews are conducted on all aspects of the operations with particular focus on asset utilisation, banking relationships, structure of management and internal reporting.
 - *Corporate Governance*: Board of Directors representation is typically sought and systems are established for on-going compliance, enforcement of documentation and on-going documented Board meetings.

Key contractual terms and payments are monitored by ADM Capital's Risk Management, Valuation, Legal and Operations departments with periodic overall review by ADM Capital's Investment Advisory Committee. We seek to continually review the financial model of all investment ideas to ensure that the company has demonstrated that it has the ability to perform operationally and financially in line with the expectations embodied in original investment thesis and investment valuations are conducted using external data as well as the Fund's independent valuation agent. External professionals are often engaged as servicing agents, monitoring accountants or financial advisers to assist in supervision of the investment.

- (7) *Exit*: Investments are typically structured to yield cash returns (coupon) and principal repayments from internal sources. This typically reduces the duration of principal outstanding or investment value at risk (the time it takes to repay the principal amount outstanding if one were to apply interest against principal risk reduction).

The Investment Advisor

The Firm has been appointed as the Investment Advisor by the General Partners, Managers or Project Advisors, in respect of the Funds. The Firm is subject to the investment guidelines and restrictions and any internal guidelines established from time to time by the Directors, General Partners or the Manager of the Funds. The Firm is registered to provide asset management services with the Hong Kong Securities & Futures Commission and is registered as an Investment Adviser with the Securities and Exchange Commission of the United States of America as of 30 June 2018.

Portfolio Construction and Monitoring

ADM Capital employs a bottom up investment selection process, focusing on identification of borrowers with strong fundamental business models, reputable sponsors and downside collateral sufficient to meet the firm's internal investment criteria. ADM Capital's Risk Management Department monitors risk limits, including single position, single sector, currency, and geography in line with the portfolio concentration limits agreed with investors in the Offering Materials of each Fund. Risk exposures are reported to the Investment Advisory Committee weekly for review and also considered in the process of ADM Capital's Allocation Committee process. Scenario analysis and modelling for specific risks is conducted on a periodic basis.

Direct Investments

ADM Capital typically sources and structures its own investments, entering private loans directly with the borrower counterparty. We prefer being the single creditor in a situation (as opposed to club deals) to ensure we can maintain a direct relationship and monitoring of the investment.

Leverage

ADM Capital funds have a long bias and do not borrow or employ leverage, other than borrowing for foreign exchange hedging contracts related to its underlying portfolio investments.

Risk Factors

Investment in private credit and special situations involves considerable risks. Potential investors are advised to consult their own advisers regarding potential risks. An investment in the ADM Capital's Funds is suitable only for financially sophisticated professional investors who are capable of fully evaluating the risks involved in making such an investment and have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investment. The following risks are non-exhaustive and should be carefully evaluated before making an investment in the Funds.

- *Investment Risk and Market Risk:* Emerging markets are generally less mature and developed than those in more advanced countries. There are significant risks involved in investing in emerging markets, including liquidity risks, sometimes aggravated by capital flight, currency risk, political risks, legal enforcement risk and credit risks, including potential exchange control regulations and potential restrictions on foreign investment and repatriation of capital. Different emerging market countries have varying laws and regulations regarding creditor claims and collateral security, and in some countries prior government approval is required for foreign investment which may be heavily controlled or restricted. There are often also regulations that limit the amount of the foreign investment in a particular type of investment, company or sector of the economy, or there are certain restrictions on foreign capital remittances abroad. Consideration of taxation on distributions, profits and uncertain tax laws, enforcement, global pandemics and other globally disruptive events also represent a risk for foreign lenders. There are also different fiscal policies, treatment to foreigners, tax differences and interest rates.
- *Liquidity Risk:* A significant portion of ADM Capital's investments will involve a higher degree of risk and have less liquidity than publicly traded securities. Investments will be managed based on the optimal exit realisation strategy applicable to the specific investment, and ADM Capital funds may be required to hold such securities for a substantial period of time before realising their anticipated value.

During this period, a portion of the Funds' capital will be committed to the securities purchased, thus possibly preventing the ADM Capital funds from payment of redemptions, dividends or investing in other opportunities. ADM Capital Funds target investments in companies and issuers experiencing difficulties accessing regular bank lending or capital markets. The identification of these investments is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. These investments may present great opportunities for return on investment, but may also involve greater risks than customarily are associated with credit investments of more bankable companies with collateral that is easier to liquidate or finance. Returns generated from ADM Capital funds' investments may not adequately compensate for the business, legal and financial risks assumed. Investments in such companies and issuers may be illiquid and are unlikely to be publicly traded in secondary transactions. Some of the companies or issuers in which ADM Capital Funds may invest will be in a high degree of financial or operating difficulty and may have limited products, markets, financial resources or management depth. At any one time the assets of ADM Capital Funds may be invested wholly or partly in private credit or special situations investments which are relatively illiquid. Reduced liquidity resulting from the lack of an established secondary market may have an adverse effect on market price and the fund's ability to dispose of particular securities or instruments when necessary to meet its liquidity requirements or in response to a specific economic event such as a deterioration in the credit worthiness of the issuer. Reduced secondary market liquidity for certain securities or instruments also make it more difficult for the fund to obtain accurate market quotations or validate internal or third-party valuation model-based valuations of the purposes of valuing its portfolio and calculating the Net Asset Value. The risks associated to illiquidity will be particularly acute in situations in which the Funds' operations require cash.

- *Counterparty and Broker Credit Risk:* Although, as mentioned below, most of the Funds' private credit focused investments involve legal claims for repayment from the counterparties based on production of evidence of the investment terms in a court action, certain assets of the Funds will be exposed to the credit risk of the counterparties with which, or the bankers, dealers, brokers and exchanges through which, the fund deals, whether in exchange-traded or off-exchange transactions. The Funds may be subject to risk of loss of assets on deposit or being settled or cleared with a counterparty in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Funds, or the bankruptcy of an exchange clearing house or the bankruptcy of any other counterparty.
- *Currency risk:* Returns on investments held by ADM Capital Funds may be significantly influenced by currency risk. The accounts of ADM Capital Funds are mainly denominated in U.S. dollars. Investments and any other asset or liability denominated in currencies other than the U.S. dollar may change in value in relation to the U.S. dollar, possibly for protracted periods of time or permanently. In addition, the value of the Fund's assets and liabilities may be affected by delays, losses and other expenses incurred in converting between various currencies in order to purchase and sell interests in securities and by currency restrictions and exchange control regulations. In addition to U.S. dollar assets, ADM Capital funds may invest all or part of its assets in investments denominated in or linked to Asian currencies or other currency instruments. ADM Capital Funds may be limited in its ability to hedge the value of some or any of its investments against currency fluctuations or indeed ADM Capital may choose not to hedge. As a result, a decline in the value of currencies in which ADM Capital Funds' investments are denominated against the U.S. dollar may result in a corresponding decline in these funds' income and their Net Asset Value. A decline

in the value of non-U.S. currencies relative to the U.S. dollar may also result in foreign currency losses that may reduce net distributable income.

Item 9: Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

Other Material Relationships

ADM Capital and its related persons will, directly or indirectly, serve as the general partner, project advisor, limited partners and/or managing members/general partners of each of the Funds. ADM Capital and its related persons may spend their business time on one or more of the Funds as required pursuant to the terms of each Fund's Offering Materials. Investors are requested to refer to the Offering Materials of each Fund for more complete information on the requisite time commitments of ADM Capital and its related persons to the Funds.

Employees of ADM Capital and its affiliates may serve as officers, advisors, directors or in comparable management functions for the Funds. Employees of ADM Capital often also serve on the board of directors or a creditors' committee of a portfolio company, and/or are given access for other reasons to confidential information relating to the companies in which the Funds invest.

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

Participation or Interest in Client Transactions

The Firm serves as the Investment Adviser to the Funds. The principal and/or employees, affiliates and relatives of the employees may make investment in the Funds.

As well as direct investments, ADM Capital staff also share in incentive allocations linked to the profits of the Funds.

Code of Ethics and Personal Account Dealing

Pursuant to Rule 204A-1 of the Advisers Act, ADM Capital has adopted a Compliance Manual and a Personal Securities Dealing Policy that establishes various procedures with respect to investment transactions in accounts in which employees of ADM Capital or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The Compliance Manual was adopted to avoid actual and possible conflicts of interest, avoid the inappropriate use of material, non-public information and ensure the propriety of its employees' and partners' (or similar) trading activities.

The foundation of the Compliance Manual is based on the underlying principles that:

- Employees of ADM Capital must at all times place the interests of clients first;

- Employees of ADM Capital must make sure that all personal securities transactions are conducted consistent with this Compliance Manual and the Personal Account Dealing Policy contained in this Compliance Manual. All transactions should avoid any actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility; and
- Employees of ADM Capital should not take unfair advantage of their positions. The receipt of investment opportunities, perquisites, or gifts from persons seeking business with ADM Capital could call into question the exercise of an employee's independent judgment.

Generally, all employees are required to disclose to the Firm existing investment holdings upon joining and at least annually thereafter.

ADM Capital's employees are required to hold all personal investments for at least 30 days, unless prior written approval of the Chief Compliance Officer is given for an earlier disposal.

ADM Capital's employees are required to disclose details of their outside broking accounts to the Chief Compliance Officer, and ensure that copies of records and statements of personal transactions entered into by them are submitted to the Chief Compliance Officer.

Employees are required to obtain pre-clearance from the Chief Compliance Officer or Responsible Officer prior to any personal share dealing transaction.

The Firm will provide a copy of the Firm's Compliance Manual and Code of Ethics to the new employee and any clients or genuine prospective investors upon request. The Firm will also circulate the updated Compliance Manual and Code of Ethics from time to time.

Item 12: Brokerage Practices

Trade Execution – practice / fair allocation

The Investment Adviser will instruct the Funds' external Administrator to execute the approved trades for the Funds. Trade logs are maintained and reconciled with the Fund Administrator records on an on-going basis to ensure the trades are being executed accurately and on a timely basis.

Allocation

New investments are referred to ADM Capital's Allocation Committee for allocation to the relevant Fund, including based on input from the ADM Capital's Risk Management Department, Fund Administration Department, Legal and Compliance Department and review of internal and external risk parameters for each relevant Fund, investment horizon, available cash and other features. Whilst allocation determinations may result in different returns from the proceeds of underperforming or outperforming investments for different Funds, the objective of the Allocation Committee is to achieve an allocation which is fair and equitable for all investors in ADM Capital Funds at the time of the original Allocation Committee decision.

Principal Transactions / Cross Trades

In a "principal transaction", an investment adviser, acting for its own account, buys a security from, or sells a security to, a client's account. The Firm does not maintain "own accounts" / proprietary accounts. The Firm do not engage in cross trades.

Item 13: Review of Accounts

Review of Accounts

The Funds are reviewed and reconciled on a quarterly basis with quarterly valuation and cash reports prepared by the Fund's independent Fund Administrator. In addition, the Firm also monitors the Funds performances to help ensure conformity with investment objectives and guidelines.

The Funds' administrator will prepare quarterly unaudited Funds valuation pack stating the Funds' share price for each share class or other Fund interest.

Reporting

The Funds will be audited on an annual basis by an independent auditor. Copies of the audited annual report and accounts will be sent to the Funds' investors as soon as reasonably practical, but expected to be no later than four to six calendar months following the Fund's financial year end.

Item 14: Client Referrals and Other Compensation

The Firm or any related person of the Firm generally does not compensate any person in the U.S. who is not an ADM Capital supervised person for client referrals in the U.S. The Firm may to a limited extent and from time to time engage one or more placement agents / introducers for investor referrals in the U.S. Any such person would generally be compensated by the Firm by reference to the size of investment(s) referred or introduced.

No person who is not a client of the Firm provides an economic benefit to ADM Capital for providing investment advisory or other services to ADM Capital's clients.

Item 15: Custody

The private credit and special situations investments targeted by ADM Capital are not readily tradeable or exchange held securities and typically evidenced by contractual agreements able to be enforced in applicable courts as a claim against the borrower. Only a small portion of ADM Capital Funds' assets are expected to be held in cash - which is deposited with the Funds' account bank maintained by the Administrator or custodians or brokers. In respect of such assets, ADM Capital will not have direct custody over any client securities or cash. ADM Capital may be deemed to have constructive custody of the assets of the Funds as a result of its authority over the Funds. All securities and cash are held at qualified custodians or account banks operated by the Administrator. The Funds have their own Fund Administrator and account banks that are independent of the Firm. Investors in the Funds receive quarterly account statements directly from the external Fund Administrator.

Item 16: Investment Discretion

Subject to the investment objectives, policies and restrictions of each Fund as set forth in the Investment Management Agreement / Investment Advisory Agreement and Offering Materials of such Fund, ADM Capital will have certain authority to determine the acquisition, supervision or exit of investments, to place any cash or equivalents on deposit in or to the Funds with the

custodian or other banks. ADM Capital's authority in this respect is disclosed in each Fund's Offering Materials.

Item 17: Voting Client Securities

The private credit and special situations investments targeted by ADM Capital typically do not involve voting of equity shares or listed securities.

However, in situations where the Fund is a party to a stock holder or a similar agreement, these agreements are entered into the best interests of the Funds, and may require ADM Capital to vote the other investors' nominees to a board of directors or similar body, or require a vote in favour of a particular transaction. If this is the case, ADM Capital will comply with the applicable Funds' contractual obligations.

ADM Capital monitors the performance, activities and events related to each Fund investment. When exercising its voting authority over client securities, ADM Capital will consider such information, evaluate other issues that could have an impact on the value of the security and vote with a view toward maximising value. ADM Capital votes all proxies in a prudent manner, considering the prevailing circumstances at such time, and in a manner consistent with Proxy Voting Policies and Procedures and ADM Capital's fiduciary duties to its clients.

ADM Capital reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the client. As a result, depending on the client's particular circumstances, ADM Capital may vote one client's securities differently than it votes than those of another client, or may vote differently on various proposals, even though the proposals are similar (or identical). In some instances, ADM Capital may determine that it is in the client's best interest for ADM Capital to "abstain" from voting or not to vote at all, and will do so accordingly.

Item 18: Financial Information

ADM Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.