



## Form ADV - Part 2A “Brochure”

This brochure provides information about the qualifications and business practices of Noctua International WMG, LLC and affiliates (collectively, “Noctua” or the “Adviser,” or “we,” or “us,” or “our”). If you have any questions about the contents of this brochure, please contact us at 786-220-0330. 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.

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

We are an investment adviser registered as such under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Such registration under the Advisers Act does not imply any level of skill or training.

March 2021

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## ITEM 2

### MATERIAL CHANGES

As required by SEC rules, we are required to inform you of any material changes to our investment advisory business since the last update of our firm's brochure in March 2020. Specifically, Noctua seeks to identify and outline material changes in the following areas:

#### Chief Compliance Officer

- On December 2020, Carlos Eduardo Morales (CRD No 7350364) replaced Christopher Shane Jordan (CRD No 2843281) as Chief Compliance Officer.

#### Item 15 - Custody

Our Firm is deemed to have custody of Clients' assets by way of the CEO of the Adviser. Martin Guyot ("Guyot") as the Adviser's CEO, has the capacity to access client funds in relation to real estate investments conducted through pooled investment vehicles. We seek to have each of the pooled entities be subject to an annual surprise examination conducted by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB).

Our current Brochure reflects and outlines our "Annual Amendment" update of the Form ADV Brochure. We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes, as necessary. Our brochure may be requested, free of charge, by contacting Carlos Eduardo Morales, our Chief Compliance Officer, at 786-220-0330 or [cmorales@noctuapartners.com](mailto:cmorales@noctuapartners.com). Additional information about us is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any of our affiliates who are registered as investment advisers.

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## ITEM 4 ADVISORY BUSINESS

### A. General Description of Advisory Firm

Noctua International WMG, LLC is a Delaware Limited Liability Company formed on May 6, 2009 and approved as an advisory firm by the SEC since September 2, 2009.

The principal owner of the Adviser is Affinis Partners II, LLC., a limited liability company organized under the laws of Florida. Affinis Partners II, LLC. is the surviving party of the January 7<sup>th</sup>, 2019 merger of Affinis Partners II, Ltd. a Cayman entity and Affinis Partners II, LLC. Affinis Partners II, LLC is indirectly, owned by Martin Guyot. Affinis Partners II, LLC is also the principal owner of Noctua Strategic Partners LLC, used by the group to manage pooled investment vehicles primarily related to real estate transactions.

The Adviser manages and/or advises on separately managed accounts (“SMAs”). From time to time, we and/or our affiliates may launch, sponsor, or provide investment management or advisory services to pooled investment vehicles.

### B. Description of Advisory Services

Noctua provides asset management, research, and other financial advice to a diverse pool of clients, including individuals, corporations, as well as pooled unregistered investment vehicles (collectively, the “clients”). The overall advisory services offered by Noctua fall within the following categories:

#### Customized Discretionary Portfolios

Adviser offers discretionary separately managed accounts (“SMAs”) that are customized to each client. SMAs may focus on investments in specified and limited kinds of assets and securities, in limited markets, or they may be broad-based across many asset classes and markets. Such accounts are intended to fit within the investor’s objectives, strategies and risk profile as described by each client. The strategies utilized for these customized accounts may be similar to or may vary widely from the core strategies typically utilized by the Adviser, as further described in Item 8 or customized for each client based upon varying factors. Clients can place targets on these accounts as well as restrictions on the types of investments made in such accounts.

General: Investment Policy Statement & Definition; Asset Allocation Strategy; Investment Strategy & Manager Review.

Investments: Review of Current Portfolios & Proposals; Determine Modifications, Create Timeline and Implement; Suggest Reasonable Fees for Products and Services; Provide Consolidated Reporting and Analysis; Ongoing Monitoring and Re-evaluation; Define or Affirm Wealth Transfer Desires; Succession Illustration and Definition.

### Other Non-Discretionary Advisory Services

Adviser provides non-discretionary advisory services to all types of clients in accordance with a non-discretionary advisory agreement between Adviser and the client. Each agreement typically defines the services to be provided and if a fee is charged, the fees will also be agreed to in the advisory agreement. Adviser also provides recommendations and research regarding the investment of securities and cash in a client's account. These services are individually tailored to each client's needs and such advice may be provided to accounts in custody with third parties.

### Family Office Services

The Adviser offers family office investment advisory services. Such services include, but are not limited to furnishing advice to clients on matters not involving securities, such as financial planning matters, retirement planning, trust services. The Adviser also originates, structures, and manages real estate transactions conducted under the Adviser's affiliate, Noctua Strategic Investments, LLC, which is under common ownership with the Adviser by way of Affinis Partners II, LLC.

The Adviser's services also include providing personalized confidential financial planning, investment management, financial advisory and family office services to individuals, corporations, trusts and charitable organizations worldwide. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, insurance review, investment management, education funding, retirement planning, estate planning, real estate analysis and educational services.

### Private Placement Management Services

Adviser offers pooled unregistered investment vehicles to facilitate Clients' access to direct investments transactions, such as real estate. Noctua Strategic Investments LLC ("Noctua Strategic") serves as manager primarily responsible for all activities within the pooled investment vehicles. Please see Item 10 of this Brochure for further details.

The pooled unregistered investment vehicles are managed in accordance with the objectives and strategy as defined in each pool's private placement memorandum and/or limited partnership agreement ("Governing Fund Documents"). All terms are generally established at the time of a pool's formation and investors may not restrict the investments except as indicated in the Governing Fund Documents.

The Adviser provides investment advisory services to its clients through the management of investment portfolios in accordance with the objectives and guidelines of the private investment companies as stated in each private placing memorandum or in accordance with the risk profiles of individual clients. The investment objectives, risk tolerance and financial circumstances are generally described in their private

placement memoranda. Other clients provide such information to Adviser at or before the time they enter into an advisory agreement with the Adviser.

Interests in these pooled unregistered investment vehicles are offered in reliance upon various exemptions available under the securities laws for transactions in securities not involving a public offering. The structures are usually un-regulated closed-end investment funds. The Adviser manages those investment vehicles on a discretionary basis in accordance with the terms and conditions of the Governing Fund Documents.

Prospective investors in the pooled unregistered investment vehicles should be aware of additional risks, restrictions on withdrawals and redemptions and other important information associated with the pooled unregistered investment vehicles. This information is outlined in the Governing Fund Documents, and prospective investors should refer to these documents for information regarding these important additional considerations and risk.

#### Other Services

Adviser can provide additional services for clients from time to time as agreed between the client and the Adviser.

#### **C. Wrap Fee Programs**

We do not participate in wrap fee programs.

#### **D. Assets Under Management**

As of December 31, 2020, Noctua maintained approximately \$284,130,558 in assets under management on a discretionary basis and \$61,559,871 in assets under management on a non-discretionary basis.

## ITEM 5 FEES AND COMPENSATION

### A. Advisory Services and Fees

Written investment advisory agreements govern the terms of compensation and the manner in which we charge fees to each of our clients. The fees we charge for our advisory services are negotiable depending on the circumstances of the client's account and the service levels we provide to the client. Subject to the terms of their investment advisory agreement, clients may elect to be billed directly for fees or may authorize us to directly deduct fees from the client's account. For instance, we directly deduct our fees from SMAs. In limited instances, we bill our fees for SMAs. We generally bill our fees, or directly deduct our fees from client accounts with a standing letter of instruction signed by the client and presented to the custodian, on a quarterly basis (or as frequently as agreed to according to the agreement signed between Adviser and client). Our fees are payable in arrears.

Adviser may enter into flat fee arrangements from time to time, typically for research services provided to clients or client accounts. For a detailed description of our fee arrangements, please see "Item 5 Fees and Compensation – Fees" below.

When presenting pooled investment opportunities to prospective investors, all fees related to these investments are clearly stated and reported. Expenses such as directors' fees, accounting services, regulatory filing fees and expenses, and legal fees, among others, are absorbed by the investment vehicle put in place for the specific transaction. For investment portfolios, the clients are responsible for execution costs charged by the custodian involved in the clients' accounts. Legal and tax services are hired directly by the client and paid by them.

We do not receive a brokerage commission or other compensation attributable to the sale of securities or other investment products.

For a discussion of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of commissions and compensation for such broker-dealers, please see "Item 12 Brokerage Practices – Selection of Broker-Dealers and Reasonableness of Compensation."

The fees relating to our trading strategies are generally as follows:

For our clients, particularly SMAs, management and performance fees are negotiable and vary due to account size and other factors and are typically based on the nominal account size. Management fees typically range from 1% to 2% of the average capital base of assets under management for such accounts. Such fees are negotiable. Performance fees typically range from 10% to 23% of the annual net profits attributable to such accounts, in most cases with hurdle rates.



Management fees are payable quarterly in arrears. Performance fees are payable in arrears at year end.

Pursuant to the terms of the client's investment advisory agreement, if the investment advisory relationship is terminated as of any date other than the last business day of the applicable payment period, we typically charge a prorated management fee based on the ratio that the number of days for which investment advisory services were rendered bears to the total number of days in that payment period. In the event that the investment advisory relationship is terminated other than at the end of a performance allocation calculation period, such termination date shall typically be treated as the end of a performance allocation calculation period, and, if earned, we will effect such performance allocation. We may elect to reduce, waive, assign or otherwise share the management fee and incentive allocations set forth above without notice to or the consent of any client.

## ITEM 6

### PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In some cases, including pursuant to our investment advisory agreements with SMAs, we will enter into performance or incentive fee or allocation arrangements with eligible clients. The terms and conditions of such fees or allocations are subject to individualized negotiations with each client. We will structure any performance or incentive fee or allocation arrangement in accordance with Section 205(a)(1) of the Advisers Act and the rules and regulations thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act permitting performance fee arrangements with “qualified clients.” For a more detailed discussion of the calculation of the incentive fees or allocations paid or made, as applicable, by SMAs, please see “Item 5 Fees and Compensation - Fees.”

Performance-based fee or allocation arrangements create an incentive for us to recommend investments that are riskier or more speculative than those that are recommended under a different fee or allocation arrangement. In the allocation of investment opportunities, performance-based fee or allocation arrangements create an incentive for us to favor accounts with performance or incentive fee or allocation arrangements, or accounts with higher performance or incentive fee or allocation arrangements, over accounts that do not have such arrangements or that have lower fee or allocation arrangements. We have adopted trading policies (“Trading Procedures”) designed to, among other items, ensure that all of our clients are treated fairly and equally and to prevent this form of conflict from influencing the allocation of investment opportunities among our clients. In accordance with our Trading Procedures, while each of our clients may not participate in each individual investment opportunity, on an overall basis, due to a client’s investment strategy or elective trading restrictions established by a client, each client generally will be entitled to participate equitably with our other clients.

The Trading Procedures seek to allocate investment opportunities among our clients in a fair and equitable manner. If an investment opportunity is appropriate for two or more clients with similar or overlapping investment strategies, such investment opportunity will be allocated based on the provisions governing allocation of such investment opportunities, if any, in the relevant organizational documents or investment advisory agreements relating to such clients. Generally, we affect trades on a client by client basis. As a general rule, allocations among accounts with the same or similar investment objective are made *pro rata* based upon the size of the accounts. However, the Trading Procedures provide that the Firm will “group” or “bunch” trades for a number of clients (which is done for discretionary client accounts only) when appropriate and in accordance with Noctua’s procedures when executing orders through the same broker and maintained at the same custodian. The aggregation must be done to assure best execution and is based on the fact that each “grouped” or “bunched” investment is appropriate for the applicable clients. The Trading Procedures also provide that to the extent that a client participates in an aggregate order, it will do so at the average price per share for that order.

## **ITEM 7**

### **TYPES OF CLIENTS**

We currently provide investment advisory services to individuals and corporations, as well as pooled investment vehicles. Interests in SMAs are offered to high net worth individuals, financially sophisticated individuals and institutional investors, including trusts, estates, or charitable organizations, pension and profit sharing plans and comingled investment vehicles, including investment companies.

We are able to, in our sole discretion, waive any of the account and/or subscription requirements as it pertains to initial investment amount.

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

**A. Methods of Analysis and Investment Strategies**

With respect to our clients, we seek high risk-adjusted total returns through a focus primarily on investments in equities, debt, commodities and currencies globally. We attempt to identify investment opportunities with attractive risk-return characteristics and will seek to select the best of these well-researched opportunities. The Adviser makes investment allocation decisions based on each client's investment objectives and risk tolerance, among other factors. The Adviser identifies, structures, monitors, invests and liquidates investments in discretionary accounts. The design and day-to-day management of client portfolios is determined by the Adviser through the assigned portfolio manager and discussions with clients. The Adviser will select and monitor the investment vehicles for each asset class in the portfolios based on their history and prospective risk and return characteristics, and determine suitability for each client's needs, as well as, estimated fees and expense.

We believe that superior performance on a macro basis is a function of proper top-down analysis and asset allocation, whereas superior performance within an asset class or individual country is more a function of proper bottom-up analysis and security selection. We seek to combine both approaches to form a dual screening process to consider appropriate investment alternatives.

Experience and a detailed investment analysis process, as well as independent outside research will be used to select the top ideas out of a broad universe of investment alternatives across various markets and countries. Because of the anticipated limited number of investment positions, we expect to understand each investment in depth, analysing key variables and events. Each investment idea will go through a detailed screening process. As investments achieve selected targets, they will be replaced with new, attractive risk/reward opportunities. Positions will also be eliminated if we change our fundamental view of the investment as events or valuations change, or new information becomes available.

**B. Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. More specifically, investing in assets managed pursuant to our strategies set forth above involves the below material risks. Because these risk factors are not a complete list or explanation of all of the risks to investors, all such investors should read this brochure and any investment advisory agreement or offering document of the particular investment or product being offered and/or considered, including but not limited to the private placements/pooled investment vehicles before making an investment with us.

Market Risks

The profitability of a significant portion of our investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Adviser will be able to predict accurately these price movements. Although the Adviser will attempt to mitigate market risk through the use of long and short positions or other methods and techniques, a significant degree of market risk exists and there can be no assurances that the use of such methods and techniques will protect from significant losses.

### Emerging Markets

Investing in emerging market securities involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in emerging markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of portfolio securities and cash with non-U.S. sub-custodians and securities depositories; and (xv) overall greater volatility.

### Event Driven Strategy Risk

The Adviser may look for special opportunities in which to invest, such as in distressed securities and/or event driven strategies. There is significant business risks associated with event driven investing. Because of the inherently speculative nature of this activity, results may fluctuate from period to period and may not correlate with the direction of the equity markets. Accordingly, the results of a particular period will not necessarily be indicative of results that may be expected in future periods. The significant business risks associated with event driven strategies include, but are not limited to, the items discussed below.

Investments may be made in the securities of a company engaging in an extraordinary transaction or event after the event has been announced. Because the price offered for securities of a company involved in an announced deal will generally be at a significant premium above the market price prior to the announcement, the failure of a proposed transaction to close is generally followed by a significant decline

in the value of the securities as their market price returns to a level comparable to that which existed prior to the announcement of the transaction. Furthermore, the difference between the price paid for securities of a company involved in an announced transaction and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be small. If the proposed transaction appears likely not to be consummated or, in fact, is not consummated or is delayed, the market price of the securities will usually decline sharply, perhaps below the price at which the security was purchased. The number of such opportunities available varies greatly and is based on many factors beyond the control of the Adviser.

We may invest in the securities of large, medium or small capitalization companies that we believe are potential candidates in an extraordinary corporate transaction such as a tender offer, merger, spin-off, reacquisition, reorganization, bankruptcy, liquidation or other catalytic change or transaction. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution to of cash or a new security, the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if such investments were made and the anticipated transactions were not in fact to occur, the securities would likely be sold at a loss.

If put options are purchased with respect to securities anticipated to be received in an exchange or merger and the proposed transaction is not consummated, the market price of the securities may rise above the exercise price of the put options, resulting in the cost of the put options not being recovered. If put options are purchased with respect to securities that are the subject of a proposed cash tender offer or cash merger and the transaction is consummated, the options may not be exercised and the premiums paid therefor may be lost. In addition, premiums paid for put options increase transaction costs and, in certain situations, may result in a sufficient reduction in the spread between the acquisition price and the anticipated price to be received to make the investment so unattractive based upon a return on capital/risk-reward analysis that the Adviser may determine not to take a portfolio position. Since options expire on specific dates, in the event consummation of a transaction is delayed beyond the expiration of a put option held, the anticipated benefit of the option may be lost.

It may be determined that the offer price for a security that is the subject of a tender offer is likely to be increased, either by the original bidder or by another party. In those circumstances, securities may be purchased above the offer price, and such purchases are subject to the added risk that the offer price will not be increased or that the original offer will be withdrawn.

The consummation of mergers, tender offers, and exchange offers can be prevented or delayed by a variety of factors, including, without limitation: (i) opposition by the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a regulatory agency; (iii) efforts by the target company to pursue a “defensive” strategy, including

a merger on less favorable terms with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable securities laws; (vii) inability to obtain adequate financing; and (viii) material adverse changes in target or acquiring companies.

Often a tender or exchange offer will be made for less than all of the outstanding securities of an issuer or a higher price will be offered for a limited amount of the securities, with the provision that, if a greater number is tendered, securities will be accepted pro rata. Thus, a portion of the tendered securities may be returned. After completion of the tender offer, the market price of the securities may decline below their cost, resulting in a loss on this portion of the securities.

#### Valuation of Investments

Client assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or that are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments. Valuation of client securities and other investments may involve uncertainties and judgmental determinations. If such valuations should prove to be incorrect, clients could be adversely affected. While the Adviser will utilize the services of certain third parties to provide independent valuation of a client's portfolio (and may retain other independent pricing services to value securities that are not publicly traded), independent pricing information may not at times be available, reliable or may be difficult to obtain with respect to certain securities and other investments. We are entitled to rely, without independent investigation, upon pricing information and valuations furnished by such pricing services.

#### Currency Risks

Investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment, capital appreciation and political developments. The Adviser will try to hedge these risks, but there can be no assurance that it will implement a hedging strategy, or if it implements one, that it will be effective.

#### Arbitrage Transaction Risks

Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments on different markets or in different forms. Examples of arbitrage strategies include event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate

arbitrage, statistical arbitrage, debt spread arbitrage and index arbitrage. The Adviser may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur that may be magnified to the extent we are employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable “spreads,” which can also be identified, reduced or eliminated by other market participants.

### Debt Securities

We may invest in unrated or low grade debt securities that are subject to greater risk of loss of principal and interest than higher-rated debt securities. We may invest in debt securities that rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer’s assets. We may invest in debt securities that are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

### Derivatives

We may utilize both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of our investment policy. These instruments can be highly volatile and expose investors to a high risk of loss. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. Consequently, it may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby counterparty can terminate a transaction on the basis of a certain reduction in net asset value, incorrect collateral calls, or delays in collateral recovery.

### Real Estate Industry and REIT Risks

Investments in REITs, other real estate related securities and fee simple assets are subject to the risks incident to the ownership and operation of real estate generally. Some of the risks associated with investments in real estate are declines in the value of real estate, risks related to general and local economic conditions, dependency on management skill, heavy cash flow dependency, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increased taxes and operating expenses, changes in zoning laws, losses due to costs resulting from the clean-up of environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants and changes in interest rates.



### Commodity-Related Securities

The production and marketing of commodities may be affected by actions and changes in governments. In addition, commodity-related securities may be cyclical in nature. During periods of economic or financial instability, commodity-related securities may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various commodities. Commodity-related securities may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such securities may rise at a faster rate, and conversely, in time of falling commodity prices, such securities may suffer a greater price decline.

### Distressed Securities

We may invest in “distressed” securities, claims and obligations of domestic and foreign entities that are experiencing significant financial or business difficulties. Investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns to clients, but also involve a substantial degree of risk. Clients may lose a substantial portion or all of investments in a distressed environment or may be required to accept cash or securities with a value less than the investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by applicable laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and a bankruptcy court’s discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive and can frequently lead to unpredicted delays or losses. Moreover, to the extent that clients invest in distressed sovereign debt obligations, they will be subject to additional risks and considerations not present in private distressed securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which may be affected by world events, changes in foreign policy and other factors outside of the control of the Adviser.

### Closed-End Funds

We may invest in closed-end funds. Because closed-end funds are, by definition, portfolios of securities, we believe that the unsystematic risk associated with investments in closed-end funds is generally very low relative to investments in ordinary securities of individual issuers. However, there are events that can trigger sharp and sometimes adverse price movements in closed-end funds that are not related to movements of the market in general. Not limited to, but among these, are surprise

dividends, changes to regular dividend amounts, announcements of rights offerings and possible surprise revisions to net asset values.

In addition to the foregoing, it should be noted that the Investment Company Act of 1940, as amended, places certain restrictions on the percentage of ownership that a private investment fund may have in a registered investment company.

#### Loan Participations

We may invest in corporate loans acquired through assignment or participations. In purchasing participations on behalf of clients, we will usually have a contractual relationship only with the selling institution, and not the borrower. We generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor will it have the right to object to certain changes to the loan agreement agreed to by the selling institution. Clients may not directly benefit from the collateral supporting the related secured loan and may not be subject to any rights of set-off the borrower has against the selling institution.

In addition, in the event of the insolvency of the selling institution, under the laws of various jurisdictions, clients may be treated as a general creditor of such selling institution and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the secured loan. Consequently, clients may be subject to the credit risk of the selling institution as well as of the borrower. Certain loans or loan participations may be governed by the laws of a jurisdiction other than a United States jurisdiction, which may present additional risks as regards the characterization under such laws of such participation in the event of the insolvency of the selling institution or the borrower.

#### Portfolio Illiquidity

We may invest a portion of client assets in securities that may be difficult to trade. At various times, the markets for securities purchased or sold by us on behalf of clients may be "thin" or illiquid, making purchase or sale of securities at desired prices or in desired quantities difficult or impossible. In some cases, clients may be contractually prohibited from disposing of such securities for a specified period of time. Further, the sale of any such investments may be possible only at substantial discounts and such investments may be extremely difficult to value.

#### Swap Agreements

We may enter into swap agreements on behalf of clients. Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional

amount” (i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency or security, or in a “basket” of securities representing a particular index). The “notional amount” of the swap agreement is only a fictive basis on which to calculate the obligations that the parties to a swap agreement have agreed to exchange. Most swap agreements entered into by clients would calculate the obligations of the parties to the agreement on a “net” basis.” Consequently, client obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the “net amount”).

Whether our use of swap agreements, if any, will be successful in furthering our investment objective will depend on our ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Clients bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The swaps market is a relatively new market and it is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the clients’ ability to terminate existing swap agreements or to realize amounts to be received under such agreements.

#### Small to Medium Capitalization Companies

We may invest a portion of our clients’ assets in the securities of companies with small-to medium-sized market capitalizations. While we believe these investments often provide significant potential for appreciation, those securities, particularly smaller-capitalization securities, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of such securities are often more volatile than prices of large-capitalization securities. In addition, due to thin trading in some of these investments, an investment in these securities may be more illiquid than that of larger capitalization securities.

#### Options

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

#### Counterparty and Custodial Risk

To the extent that we invest in swaps, “synthetic” or derivative instruments, repurchase agreements, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, our clients take the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

In addition, there are risks involved in dealing with the custodians or brokers that settle client trades, particularly with respect to non-U.S. investments. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the client and the client should not be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation and there may be practical or timing problems associated with enforcing the client’s rights to its assets in the case of an insolvency of any such party.

#### Lack of Liquidity of Fund Investments/Restricted or Non-Marketable Securities

Client assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or private, making purchase or sale of such securities at desired prices or in desired quantities difficult or impossible. Furthermore, the sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value any such investments accurately.

#### Lack of Diversification

Client portfolios will not generally be as diversified as other investment vehicles. Accordingly, investments may be subject to more rapid change in value than would be the case if clients were required to maintain a wide diversification among types of securities, geographical areas, issuers and industries.

#### Incentive Fees and Allocations

Incentive fees and allocations may create an incentive for us to cause clients to make investments that are riskier or more speculative than would be the case if this allocation were not made. Since such fees and allocations are calculated on a basis that includes unrealized appreciation of assets, such fees and allocations may be greater than if it were based solely on realized gains.

#### Private Placement Risks

The below Private Placement Risks are only applicable to private placement investors.

Principal Investment Risks: Prospective private placement investors should consider all risk factors and special considerations associated with investing, which may cause some or all investors to lose money. An investment carries substantial risk. There can be no assurance that the investment objective and strategy will be achieved and investment results may vary substantially over time. An investment is only suitable for investors who are able to bear the loss of a substantial portion or even all of their investment. There is generally no public market for the Shares, nor is a public market expected to develop in the future.

Liquidity Risk: Liquidity risk exists when particular investments are difficult to purchase or sell. Securities may become illiquid under adverse market or economic conditions and/or due to specific adverse changes in the condition of a particular issuer. If investments are made in illiquid securities or securities become illiquid, returns may be reduced because of the inability to sell the illiquid securities at an advantageous time or price. The notes and shares should be considered illiquid.

No Assurance will meet Investment Objectives: There can be no assurance that the private placements will achieve its investment objectives (including any stated yield or return or investment targets or projections), be able to exit the investments during the term, or that investors will not suffer losses. Return, cash flow, geographic, property type and other targets and projections are based upon assumptions made by the investment manager which may differ in material respects from actual outcomes.

Concentration Risk: The private placement will typically participate in one or few securities of one company. Therefore, the returns could be impaired by such concentration if the obligor's particular sector, industry or geographic location were to experience adverse business conditions or other adverse events.

Use of Individual instruments: Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company or other investment Firm and will primarily include advice regarding the following instruments:

- Equity securities;
- Corporate debt securities and United States government securities;
- Municipal securities;
- Foreign issuer securities;
- Offshore and onshore mutual funds;
- Exchange-traded funds (ETFs), and;
- Investment in private placement offerings and/or limited investment partnerships.

Occasionally, Client portfolio holdings may also include the following instruments:

- Option contracts on securities;
- Direct real estate investments through specially created private placement vehicles.

### Reliance on Key Persons

Investments with us will be substantially dependent on the services of our personnel. In the event of the death, disability, departure, or insolvency of such persons, our business may be adversely affected.

### Legal, Tax, and Regulatory Risks

Legal, tax, and regulatory changes could occur during the term that may adversely affect advisory clients, including by increasing the costs of compliance and by restricting clients' ability to implement its investment strategy. Noctua is subject to legal, tax, and regulatory oversight, including by the SEC and other regulators. There is a material risk that regulatory agencies in the United States or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which could adversely affect Noctua's business and its advisory clients. Any rules, regulations and other changes and any uncertainty in respect of their implementation, may result in increased costs, reduced profit margins and reduced investment and trading opportunities, all of which may negatively may impact the performance of advisory accounts.

**ITEM 9**  
**DISCIPLINARY INFORMATION**

To the best of our knowledge, there are no legal or disciplinary events that we believe would be material to our clients' or our prospective clients' evaluation of our advisory business or the integrity of our management.

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

**A. Broker-Dealer Registration**

Noctua is not registered as broker-dealer or (ii) does not have an application pending to register with the SEC as a broker-dealer.

No other members of Noctua's management team are registered or have a pending application to register as a registered representative of a broker dealer.

**B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor Registration**

Neither we nor our management personnel (i) are registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing or (ii) have any application pending to register with respect to any of the foregoing.

**C. Material Relationships and Conflicts of Interests with Industry Participants**

Our relationships and arrangements with our various clients and other industry participants are material to our advisory business and raise conflicts of interest. Below is a description of some of the conflicts of interest arising from such relationships and arrangements. Because this is not an exhaustive list of all of the conflicts of interest associated with the conduct of our investment advisory business, clients should read this brochure, any investment advisory agreement and any offering documents of the particular products being offered and/or considered, including but not limited to the private placements/pooled investment vehicles before making an investment with us.

We provide investment advisory services to individuals and corporations, as well as pooled unregistered investment vehicles. There is no limit on the number of vehicles or accounts that we can manage or advise in the future. Furthermore, we and our personnel have investments in certain of our client accounts and/or pooled investment vehicles that are offered by the Adviser. The Adviser and its associated persons may invest, from time to time, in similar investments that are recommended to the clients, creating a potential conflict as it relates to the recommendations given to clients, affecting the neutrality of the advice. Particularly, the Adviser and its associated persons are typically invested, alongside the clients, in pooled investment vehicles facilitated to clients at the same time. In such instances, the Adviser will provide proper disclosures and investors/clients should be aware of any and all conflicts that are outlined in the governing documents of such investments. As a result of the foregoing, we have conflicts of interest in (i) allocating the time and resources of our personnel between and among clients; (ii) allocating investment opportunities between and among clients (See Item 6 - "Performance-Based Fees and Side-By-Side Management"); and (iii) effecting transactions between clients, including clients in which we or our personnel may have different financial interests.



Placement agents that we may engage to solicit investors for the SMAs and pooled investment vehicles, among others, are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. For a more detailed discussion of our engagement of placement agents, please see Item 14 - “Client Referrals and Other Compensation.”

With respect to the selection of broker-dealers, we allocate portfolio transactions to brokers based on best execution. For a more detailed discussion of the factors that we consider in selecting or recommending broker-dealers for client transactions, please see Item 12 - “Brokerage Practices.”

Noctua Strategic Investments, LLC (“Noctua Strategic”) is an affiliated entity that offers Real Estate Participations (“REP”) via the sale of membership interest in a limited liability company. Noctua Strategic serves as the manager to one or more limited liability companies that invest in real estate assets through a pooled investment vehicle. When Noctua Strategic acts as the manager of the pooled investment vehicles, it provides the following services:

1. Originates the opportunity applying a thorough analytical process, assessing the expected risk reward of the transaction
2. Structures the opportunity that is considered at the time the most attractive and efficient for all clients
3. Prepares all documentation to present to prospective investors with a clear description of the opportunity and the strategy
4. Organizes the legal vehicles to execute and manage the transaction
5. Opens the necessary bank accounts
6. Coordinates the investment with each of the confirmed investors
7. Manages any expenses or payments needed throughout the entire investment, management and divestment process
8. Informs the investors on a regular basis all issues with the investment
9. Coordinates all legal and tax aspects of the investments with the appropriate firm selected

Noctua Strategic and Adviser are under common ownership and control and also share the same office location and some supervised persons. Although REPs are not offered specifically by the Adviser, Noctua Strategic can offer them to Adviser’s clients which could give the incorrect impression that Noctua provides the same continuous and regular supervisory or management services than to securities portfolios under

applicable SEC rules and regulations for investment advisers. Adviser and Noctua Strategic do not receive compensation for referring clients to each other and bill clients separately for their services. However, Noctua and its owners receive indirectly economic benefit from any fees paid to Noctua Strategic.

To address these potential conflicts of interests in our material relationships, we have adopted policies and procedures, including a Code of Ethics. Under the Code of Ethics, all of our personnel, including directors, officers, and employees, must put the interests of our clients first, and must act honestly and fairly in all respects in dealings with clients. Additionally, under such policies and procedures, no client can receive preferential treatment over any other client. In allocating investment opportunities and securities among clients, it is our policy that all clients should be treated fairly and that, to the extent possible, all clients should receive equivalent treatment. To that end, we review our client portfolios periodically to consider the investment strategy and criteria, positioning and portfolio construction guidelines.

Noctua Strategic, as manager to one or more limited liability companies that invest in real estate assets through pooled investment vehicles, supervise the conduct of the vehicle's affairs. Noctua Strategic has delegated the investment management activities, the authority to make all investment decisions, and otherwise management of the business affairs to Noctua as the investment manager. Noctua Strategic, as the manager to pooled unregistered investment vehicles, may have economic interests in or other relationships with obligors or issuers in whose securities the pooled unregistered investment vehicles may invest. Prospective investors must recognize that the pooled investment vehicle has been formed specifically to access a concentrated exposure managed by the investment manager. Noctua Strategic may not be inclined to appoint any other investment manager.

Our Code of Ethics requires that we make full disclosure of all material facts concerning any actual, apparent or potential conflicts of interest, and requires us and our personnel to follow appropriate procedures designed to minimize any such conflict.

For a more detailed discussion of our Code of Ethics, please see Item 11 - "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading."

**D. Material Conflicts of Interest Relating to Other Investment Advisers**

Except as disclosed in this Item 10, we do not recommend or select other investment advisers for our clients.

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

**A. Code of Ethics**

We have adopted a Code of Ethics that is based on the principle that we, and each of our personnel, owe a fiduciary duty to our clients and a duty to comply with federal and state securities laws and all other applicable laws. These duties include the obligation of all personnel to conduct their personal securities transactions in a manner that does not interfere with the transactions of any client or otherwise to take unfair advantage of their relationship with clients. Among other things, the Code of Ethics requires regular reporting of personal securities transactions by certain personnel.

We will provide a copy of our Code of Ethics, free of charge, to any client or investor and prospective client or prospective investor upon request. Our Code of Ethics may be requested by contacting our Chief Compliance Officer, Carlos Eduardo Morales at 786-220-0330 or [cmorales@noctuapartners.com](mailto:cmorales@noctuapartners.com).

**B. Recommending, Buying, or Selling Securities in which We or a Related Person Have a Material Financial Interest, Invest, or Buy or Sell at the Same Time; Conflict of Interests**

In certain circumstances, we may, on our clients' behalf, buy or sell securities or related instruments in which we or our related persons, directly or indirectly, have a position of interest. We may also recommend that our clients or prospective clients buy or sell such securities. Further, we, or our related persons, may invest in the same securities or related instruments that we recommend to our clients.

Conflicts of interest occur when we, or our related persons, trade in the same security at or about the same time as our clients. For example, we may seek to sell the securities we hold while simultaneously recommending that our clients maintain their position in the security. A sale by our related persons or by us may affect the liquidity, value, or trading price of the securities that our clients continue to hold. In addition, we or our personnel may invest in products offered, including but not limited to pooled investment vehicles created to offer clients access to real estate investments, among others, and, therefore, such persons may hold an indirect interest in the same securities as other investors in the such pooled investment vehicles. Our Code of Ethics and our personal trading policy have been designed to limit conflicts of interest in cases where we or certain of our personnel, buy, sell or otherwise have an interest in, securities we have recommended to our clients.

We and/or our affiliates may provide advice and recommend securities to certain client accounts that may differ from advice given to, or securities recommended or bought for, other client accounts, even though their investment programs may be the same or similar.

We do not participate in “principal transactions” in which we or an affiliate act as principal for our own account with respect to the sale of a security to or purchase of a security from another client. Additionally, we do not participate in agency cross transactions.

We have adopted an “Insider Trading Policy” that prohibits us and our personnel from trading for clients or for ourselves or themselves, or recommending trading, in securities of a company while in possession of material nonpublic information (“**Inside Information**”) about the company, and from disclosing such information to any person not entitled to receive it, in either case in contravention of applicable securities laws. By reason of our various activities, we may have access to Inside Information or be restricted from effecting transactions in certain investments that might otherwise have been initiated. We have adopted policies and procedures reasonably designed to, among other things, control and monitor the flow of Inside Information to and within our organization, as well as prevent trading based on Inside Information.

Notwithstanding such policies and procedures, there may be certain cases where we either may receive Inside Information due to our various activities on behalf of clients or may be restricted in acting for clients, resulting in limited liquidity or using such information for the benefit of certain clients in specific securities. We seek to minimize those cases whenever possible, consistent with applicable law and our Insider Trading Policy, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

### **C. Personal Trading**

We believe restricting certain of our personnel’s personal trading is one way of avoiding conflicts of interest between our clients and such personnel. Our personal trading policies are part of our Code of Ethics. For a full description of our Code of Ethics, please see Item 11 - “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Code of Ethics,” above. Generally, the Code of Ethics requires that, prior to effecting any personal securities transactions; personnel subject to our personal trading policies must receive written approval from the Chief Compliance Officer.

In general, personnel covered by our personal trading policy must provide our Chief Compliance Officer or her designee with (i) their securities holdings at the commencement of employment and annually thereafter and (ii) quarterly transaction reports or quarterly brokerage statements or duplicate trade confirmations. Furthermore, the personal accounts of the personnel covered by our personal trading policy will be reviewed regularly and compared with transactions for our clients.

## ITEM 12 BROKERAGE PRACTICES

Pursuant to each client's investment advisory agreement, or other similar agreement, we are generally authorized to select the broker or dealer to effect transactions on behalf of our clients. However, our selection of the broker or dealer may be tailored to a particular client's investment guidelines or restrictions, where appropriate. Accordingly, portfolio transactions will be allocated to brokers based on best execution.

### **A. Selection of Broker-Dealers and Reasonableness of Compensation**

Consistent with our fiduciary duty to clients, we have an obligation to seek the best price and execution of client securities transactions when we are in a position to direct brokerage transactions. While not defined by statute or regulation, "best execution" generally means the execution of client trades at the best net price considering all relevant circumstances.

We will place trades for execution only with approved brokers or dealers. The factors to be considered in selecting and approving brokers-dealers that may be used to execute trades include, but are not limited to:

1. the value of research provided, execution capabilities, commission rates or ticket charges;
2. reputation and financial strength, ability and willingness to correct trade errors, and administrative resources.

As a part of this analysis, we will also consider the quality and cost of services available from alternative broker/dealers.

Our Chief Compliance Officer and portfolio managers are responsible for due diligence on best execution, including ensuring that we meet our best execution obligations, updating our best execution procedures whenever appropriate, and considering any other best execution issues identified by such persons. Such persons will generally meet on a periodic basis to review the approved broker list and to evaluate several randomly selected trades for best execution. Notes will be kept for each such meeting. The notes will identify the issues considered, and any decisions reached.

### **B. Research and Other Soft Dollar Arrangements**

At present, the Adviser does not have any soft dollar agreements. Consistent with obtaining best execution, brokerage commissions on client portfolio transactions may be directed to brokers in recognition of research services furnished by them, as well as for services rendered in the execution of orders by such brokers. As a general matter, such research services are used to service all of Adviser's clients. However,

each and every research service may not be used to service each and every client managed by Adviser, and brokerage commissions paid by one account may apply towards payment for research services that may not be used in the service of that account.

Our policy is to only use “soft” or commission dollars to the extent that such expenses come within Section 28(e) of the Securities Exchange Act of 1934, as amended (“**Section 28(e)**”). Section 28(e) provides a “safe harbor” to investment managers that use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in performing investment decision-making responsibilities. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Items for which we may use soft dollars, and that fall within the safe harbor, include:

- research seminars and similar programs (however, travel expenses, meals and hotel accommodations are not included);
- computer analyses of securities portfolios;
- economic factors and trends as well as political analysis;
- third party research, provided that the broker is contractually obligated to pay the provider of the service or products and does not merely act as a conduit to pass on the Adviser’s commissions to the provider of the services to satisfy the Adviser’s obligation.

We are not obligated to seek the lowest transaction charge, except to the extent that it contributes to the overall goal of obtaining the best execution for clients. A higher transaction charge on exchange and over-the-counter trades are determined reasonable in light of the value of the brokerage execution and research products and services provided to us for the benefit of our clients.

#### **C. Brokerage for Client Referrals**

In selecting or recommending broker-dealers, we do not consider whether we, or any of our affiliates, receive client or investor referrals from a broker-dealer or other third party.

#### **D. Directed Brokerage**

“Directed brokerage” refers to instances in which a client retains the discretion to choose brokers and instructs the Adviser to direct portfolio transactions to a particular broker-dealer. We generally do not permit any directed brokerage arrangements. A client can direct us to effect all (or a specified percentage of) securities transactions in the client’s account through a specific broker-dealer in the future. We would generally negotiate commissions for transactions with such brokers unless instructed otherwise by the client. If we are directed to use a particular broker, whether or not we negotiate the commission rates, we may not be able to obtain the

same price and execution that may be available if we were free to determine the broker best able to execute the particular transaction. Before accepting a client-directed brokerage arrangement, we would ensure the client's instructions are clear and unambiguous and inform the client in writing that:

1. we assume no responsibility for negotiating commission rates and other transaction costs with the directed broker;
2. although the client has selected a directed broker, we will not be required to effect any transaction through the directed broker if we reasonably believe that to do so may result in a breach of our duties to the client;
3. by instructing us to execute all transactions through the directed broker, the client may not obtain commission rates and execution as favorable as would be the case if we were able to place transactions with other broker-dealers;
4. the client may forego benefits that we may be able to obtain through, for example, negotiating volume discounts or aggregating or bunching trades; and

In an effort to achieve orderly execution of transactions, execution of orders for clients that have designated particular brokers may, in certain circumstances, be delayed until after the Adviser completes the execution of orders for which it maintains the authority to direct execution of transactions.

#### **E. Aggregating Orders for Various Client Accounts**

When appropriate and in accordance with Noctua's procedures, we aggregate orders of our client accounts for trade execution and thereafter allocate the securities on an average price basis to such client accounts. More specifically, each client that participates in an aggregated order will participate at the average share price for all of our transactions in that security or other instrument on a given business day and transaction costs will be shared pro rata based on each client's participation in the transaction. No client will be favored over any other client as a result of such aggregation. Brokerage commission rates will not be reduced because of such aggregation. In some instances, average pricing could result in higher or lower execution prices than otherwise obtainable by a single client. We believe that our aggregation policy is lawful and consistent with our duty to seek best execution for all our clients. In general, in the event that we are unable to purchase the entire allotment required to satisfy any such aggregated orders (i.e., the total amount of securities purchased is less than the amount requested in such order), we will allocate such securities as "partial fills" among the purchasing accounts in proportion to the relative sizes of the initial orders.

## ITEM 13 REVIEW OF ACCOUNTS

### A. Periodic Review of Client Accounts

Our portfolio managers and Chief Compliance Officer receive and review periodic reports and statement summaries from the custodian(s) of the assets of client accounts. Our personnel will review these reports and statements to ensure conformity with each client's investment objective and appropriate asset allocation, and to monitor changes to performance of individual securities. On a continuous basis, our portfolio managers review the account trades with particular attention paid to accuracy of any applicable average price treatment and allocation procedures.

### B. Additional Review of Client Accounts

In addition, on a quarterly basis, we review allocation reports and account performance to ensure compliance with our policies and procedures with respect to the treatment of client accounts. Our Chief Compliance Officer also reviews client accounts on a periodic basis to ensure that any applicable account restrictions are being followed.

### C. Contents and Frequency of Account Reports to Clients

Our clients typically receive statements directly from their custodians, at least monthly or quarterly. Additionally, we provide monthly account reconciliation and performance reports periodically or as needed or agreed to with the clients. The reports typically outline a listing of securities owned, a description of how their account is allocated, as well as performance measurement. The Adviser urges clients to compare the statements received from their custodian with any consolidated report provided by the Adviser. Clients should immediately inform the Adviser of any discrepancy noted between the custodian records and the reports clients received from the Adviser. We may periodically send newsletters to our clients and investors.

Upon request, certain investors may receive additional information and reporting (written or verbal) which other investors may not receive, and such information may affect an investor's decision to request a withdrawal from its account.



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

**A. Economic Benefits for Providing Services to Clients**

We do not receive economic benefits from third parties for providing investment advice or other advisory services to our clients. Currently, our only clients are individuals, corporations, and institutions to which we provide pooled investment vehicle opportunities.

**B. Compensation to Non-Supervised Persons for Client Referrals**

We have entered into certain solicitation agreements with third parties, and we may, in the future, enter into one or more other such agreements. Under the terms of the current solicitation agreement, we compensate a solicitor if persons or institutions introduced by the solicitor invest in one of our products or services. We make cash payments or share a portion of our management fees or incentive fees or allocations with these solicitors. Our Chief Compliance officer or his designee will determine whether such arrangements: (i) are subject to Rule 206(4)-3 under the Advisers Act, the so called “Cash Solicitation Rule,” and, if so, whether the arrangements comply with that rule, and (ii) comply with other applicable laws, rules and regulations, including laws and regulations requiring the registration of broker-dealers.

**C. Compensation from Activity with Affiliates**

The Adviser’s affiliate Noctua Strategic Investments, LLC engages in real estate management and asset/debt structuring. The Adviser and its associated persons receive compensation in relation to advisory client participation and investments in transactions structured by Noctua Strategic Investments, LLC. Noctua does not assess an advisory fee based upon client assets invested with Noctua Strategic Investments, LLC.

## ITEM 15

### CUSTODY

Custody is defined as any legal or actual ability by our Firm or its related persons to access Client funds or securities. All assets are typically held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly.

We urge all of our Clients to carefully review and compare their account holdings and/or performance results received from Noctua to those they receive from their custodian. Our statements may vary from the statements provided by the qualified custodian because of accounting procedures, reporting dates, or valuation methodologies used to value certain securities. Should you notice any discrepancies, please notify us and/or your custodian as soon as possible.

Our Firm is deemed to have custody of Clients' assets by way of the CEO of the Adviser. Martin Guyot ("Guyot") as the Adviser's CEO, has the capacity to access client funds in relation to real estate investments conducted through pooled investment vehicles. We seek to have each of the pooled entities be subject to an annual surprise examination conducted by an independent public accountant that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB).

## ITEM 16

### INVESTMENT DISCRETION

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment management agreement and/or relevant private placement organizational documents.

We exercise this investment discretion in a manner consistent with the stated investment objectives of the particular client, which are contained in the applicable offering documents, investment advisory agreement, and/or client profile form.

When selecting securities and assessing potential investments, we observe the investment policies, limitations, and restrictions of the clients we advise, as stated in the applicable client profile form, investment advisory agreement or other applicable agreements or offering documents. Our clients have the ability, but do not customarily, place limitations on our investment authority, including, without limitation, designating types of permitted investments or prohibiting certain types of investments.

For a complete discussion of our advisory business and the services we provide to our clients, please see “Item 4 - Advisory Business.”

## ITEM 17

### VOTING CLIENT SECURITIES

We have, and in the future will continue to accept, voting proxies on behalf of our client's securities only if Noctua is authorized explicitly in writing by each client. Furthermore, if clients explicitly grant Noctua with proxy voting authority, Noctua will only vote proxies upon receipt of clients' written request indicating their vote choices for the proxy. Upon request, Noctua will recommend clients on how to cast a particular vote but final decision about proxy voting rest with the client.

We have adopted policies and corresponding procedures to comply with Rule 206(4)-6 of the Advisers Act and with our fiduciary obligations (such policies and procedures, the "**Proxy Voting Policies**"). We recognize that the act of managing assets of clients consisting of common stock includes the voting of proxies related to the stock. The Proxy Voting Policies are designed to ensure that in cases where we make recommendations related to proxies with respect to client securities or other instruments, such recommendations are in the best interests of our clients. Our proxy voting process is the same for all of our client accounts where the client has authorized us to vote proxy on his/her behalf. Our general policy is to draft proxy proposals in a manner that serves the best interests of our clients, as determined by us in our discretion, taking into account relevant factors, including, but not limited to:

- the impact on the value of the securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity; and
- customary industry and business practices.

We generally expect to vote proxies in accordance with the recommendations of company management, as we believe that management usually knows more about the company than passive shareholders. However, we realize that there are many complexities to proxy votes and we will suggest a vote against a proposal or recommendation of management if we determine that such a vote is not in the best interests of our clients. Generally, favorable proxy votes will include instances where proposals:

- maintain or strengthen the shared interests of shareholders and management;
- increase shareholder value;
- maintain or increase shareholder influence over the issuer's board of directors and management;
- maintain or enhance the independence of the board of directors; and

- maintain or increase the rights of shareholders.

Proxy votes generally will be suggested against proposals having the opposite effect of those items listed above, particularly where we believe that a proposal will have a dilutive effect on the value of the underlying security.

These voting guidelines are just that - guidelines. The guidelines are not exhaustive and do not include all potential voting issues. Because proxy issues and the circumstances of individual companies are so varied, there may be instances when we will suggest not to vote at all on a presented proposal or will not suggest a vote in strict adherence to these guidelines.

When recommending proxy voting, our personnel shall avoid any direct or indirect conflict of interest raised by such voting decision. Our Proxy Voting Policies contain detailed policies and procedures addressing such potential conflicts,

Clients may obtain a copy of our current written proxy voting policies and procedures, and/or a copy of the voting activity report generated by their account, by contacting the Chief Compliance Officer, Carlos Eduardo Morales, at 786-220-0330 or [cmorales@noctuapartners.com](mailto:cmorales@noctuapartners.com).

**ITEM 18**  
**FINANCIAL INFORMATION**

**A. Balance Sheet**

We are not required to attach a balance sheet because we do not require or solicit the payment of fees six months or more in advance.

**B. Contractual Commitments to Our Clients**

We have no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to our clients.

**C. Bankruptcy Petitions**

We have not been the subject of a bankruptcy petition at any time during the past ten years.