

# **AUREANA CAPITAL MANAGEMENT LLC**

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This Investment Advisor Brochure (“Brochure”), which is also known as Part 2A of the SEC Form ADV, contains important information about the qualifications and business practices of Aureana Capital Management, LLC (formerly known as Canepa U.S., LLC and Equalia Capital Partners, LLC). Aureana Capital Management, LLC (“Aureana” or the “Adviser”) is registered with the SEC as an Investment Adviser (SEC File No. 801-71777).

The information contained herein is being provided in accordance with Rule 204-3 of the Investment Advisers Act of 1940, which requires a registered Investment Adviser to provide a written disclosure statement upon entering into an advisory relationship. The information in this Brochure has not been approved or verified by any state securities authority.

Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

If you wish to obtain future updates to this Brochure or have any questions about its contents, please contact us at (212) 677-7011 and/or by email to [info@aureanacapital.com](mailto:info@aureanacapital.com).

**MARCH 2021**

## Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. As such, various States have also set forth parallel requirements. As a result, this Brochure is a document prepared according to the SEC’s and various States’ new requirements and rules. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

You will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year, which is December 31 of each year. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting us at phone number (212) 677-7011 or by email to [info@aureanacapital.com](mailto:info@aureanacapital.com).

Additional information about Aureana Capital Management, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Aureana Capital Management, LLC who are registered, or are required to register, as Investment Advisor Representatives (“IARs”) of Aureana Capital Management, LLC.

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## Item 4 – Advisory Business

### General

Aureana Capital Management, LLC (“Aureana”, the “Firm” or the “Adviser”), formerly known as Equalia Capital Partners, LLC and most recently as Canepa U.S., LLC, is an investment advisory firm that provides investment advisory services to high net-worth individuals, families, private investment funds and other institutions, including corporate pension and profit-sharing plans, foundations, endowments, municipalities, and mutual funds.

Currently, Aureana is a discretionary investment advisor of Canepa Funds ICAV, an Irish Collective Asset-Management Vehicle constituted as an umbrella fund with segregated liability among several sub-funds, each with its distinct investment strategy. The ICAV is authorized by the Central Bank of Ireland pursuant to the European Communities Undertakings for Collective Investment in Transferrable Securities (UCITS) Regulations 2011 (as amended). Each sub-fund of the ICAV is an open-ended UCITS. Aureana advises the Aureana New World Income Fund, a UCITS sub-fund of the ICAV. The investment objectives and the investment policy of the fund advised by Aureana are described in detail in the prospectus of the ICAV and sub-fund’s supplement and subscription documents. Information about fees and expenses, and other material information may be found in the supplement and are summarized in the Key Investor Information Documents (“KIID”s).

Aureana provides investment advisory services related primarily to asset/portfolio management involving fixed income instruments issued by governmental bodies, authorities, agencies, or corporate entities domiciled in or deriving a substantial majority of revenues from emerging and frontier market countries.

Aureana does not currently manage and/or advise but may choose to manage and/or advise private funds and/or segregated Managed Accounts (“SMA”) in which case Aureana will generally seek to achieve the investment objectives of the fund or the SMA by managing and executing investment strategies on a discretionary basis, in accordance with the appropriate mandate.

Aureana does not participate in wrap fee programs nor does it offer financial planning or other advisory services geared toward retail customers.

### Assets Under Management

**As of December 31, 2021, Aureana managed approximately \$203,975,020 in regulatory assets under management. Aureana manages all of its regulatory assets under management on a discretionary basis.**

## Ownership

Aureana's ownership is as follows:

- Heisenberg Global Partners, LLC ("HGP") (50%);
- Le Mans Capital LLC (50%)

HGP is wholly owned by Canepa Global Managers SCS ("CGM"). CTP International Partners, S.à r.l., SPF ("CTP") has a majority interest in CGM. CTP is in turn wholly owned by CTP (BVI) Holdings Limited. Le Mans Capital LLC is wholly owned by Isabel Martinez Lopez.

## Item 5 – Fees and Compensation

The following information describes Aureana's compensation for the advisory services it provides.

For its management services to the Aureana New World Income Fund, which is a separate sub-fund of Canepa Funds ICAV, an umbrella fund with segregated liability between sub-funds constituted as an Irish collective asset-management vehicle and authorized by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "Concise UCITS Fund"), Aureana receives an annual management fee.

The management fee is payable by each Class, except for the Class M Shares which are not subject to any management or performance fees, equal to the rate of the Net Asset Value of the Class as set forth below:

<b>Class A</b>	1.35%
<b>Class I, Class IH and Class I Inc</b>	0.85%
<b>Class I (NP), Class IH (NP) and Class I Inc (NP)</b>	1.15%
<b>Class IA</b>	0.90%

The management fee is accrued daily and payable monthly in arrears.

A performance fee will only be awarded with respect to a Class when the Net Asset Value of the relevant Class for the Performance Evaluation Period exceeds its Prior High Net Asset Value (the "Initial Criteria"). The "Performance Evaluation Period" is one Fiscal Year except in the year of the closure of the initial offer period of the relevant Class, in which case it will be the period from the closure of the initial offer period to the end of the first Fiscal Year.

If the Initial Criteria are met, a given Class will pay a performance fee based on the increase in the Net Asset Value (gross of accrued but unpaid performance fee) of the relevant Class against either a benchmark or the Prior High Net Asset Value, as described below.

***Class A, Class I, Class I Inc and Class IH***

Where a performance fee can be awarded (i.e., where the Initial Criteria are met), it will occur on the first Dealing Day of the Fiscal Year and will be equal to 15% of the amount by which the increase during the Performance Evaluation Period in the Net Asset Value (gross of accrued but unpaid performance fee) of the relevant Class exceeds the performance during the Performance Evaluation Period of the iShares JP Morgan USD Emerging Markets Bond ETF.

***Class IA***

Where a performance fee can be awarded (i.e., where the Initial Criteria are met), it will occur on the first Dealing Day of the Fiscal Year and will be equal to 4.9% of the amount by which the Net Asset Value (gross of accrued but unpaid performance fee) of Class IA exceeds its Prior High Net Asset Value.

***Class I (NP), Class IH (NP), and Class I Inc (NP)***

The following Classes shall bear no performance fees: Class I (NP), Class IH (NP), and Class I Inc (NP).

Information about fees and expenses, and other material information for Aureana New World Income Fund may be found in the fund's prospectus, supplement, subscription documents and are summarized in the Key Investor Information Documents ("KIID"s).

**Fixed Fee and Hourly Agreements**

Neither Aureana, nor its management and supervised full-time employees accept fixed fee and or hourly-based agreements or arrangements.

**Additional Fee Information**

Clients may authorize Aureana to directly debit management fees from client accounts on a quarterly basis. In such instances, management fees are prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Alternatively, in some instances, clients may receive an invoice for fees, in which it may choose to pay Aureana directly for its billed fees for the relevant period. The Firm's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred directly by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by fund

managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic funds fees, and other fees and taxes on brokerage account and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. It is the Firm's policy not to accept "kick-backs" or retrocession fees from any third non-affiliated party providing services to the Firm's clients.

#### Expense and Fee Allocation Practices

Aureana has adopted and implemented formal written compliance and supervisory policies and procedures in relation to the assessment and allocation of fees and expenses. Aureana will ensure that it makes full and accurate disclosures in fund offering documents regarding its expense and fee allocation practices. Additionally, Aureana will identify conflicts of interest in its expense and fee allocation practices (e.g. allocation of expenses shared between its funds and the Adviser) as well as ensure that its overall practices are consistent with client disclosures. Furthermore, the Adviser's protocols for expense charging and allocations are reviewed on a regular basis, in order to ensure that expenses and fees charged to client accounts are accurate.

#### Termination of the Agreement

Although an Agreement between Aureana and its clients are ongoing agreements and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party with a ninety (90) day advance notice or as agreed upon otherwise between the client and the Firm.

### **Item 6 - Performance-Based Fees**

Aureana has management and performance-based fee arrangements with qualified clients (as such term is defined in Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act")). With respect to the latter, the Adviser structures its performance fee arrangements subject to Section 205(a)(1) of the Adviser's Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Aureana includes realized and unrealized capital gains and losses. Accounts that are charged a performance-based fee might create an incentive for the advisor and/or the portfolio manager to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Furthermore, Aureana has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Currently, Aureana serves as the Investment Manager of the Aureana New World Income Fund, a separate sub-fund of Canepa Funds ICAV and is entitled to receive performance-based fees as described in Item 5 above.

## Item 7 - Types of Clients

Aureana may provide asset and/or portfolio investment management/advisory services to high-net worth individuals, family offices, and other accredited or sophisticated individual investors as defined under specified relevant local and foreign jurisdiction under applicable securities laws; private investment funds and other institutions, including corporate pension and profit-sharing plans, Taft-Hartley plans (or similar); charitable institutions; foundations; endowments; local/state municipalities; and mutual funds or other trust oriented programs as defined under specified relevant local and foreign jurisdiction(s) under applicable securities laws. For purposes of a defined institutional client, the Firm uses a threshold of \$25,000,000, although such amount may be subject to change and smaller amounts may or may not be accepted and maintained at the discretion of the Firm.

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

### Methods and Investment Strategies

Aureana's investment strategy is based on identifying key themes that will drive returns in Global Emerging [and Frontier] Markets (EM) Fixed Income over a six to twelve-month horizon and allocate to them correspondingly, through screening and evaluating prospective ideas and selecting the investments with the most promising expected risk-reward profile.

Aureana's thematic approach to portfolio construction relies on an investment process that combines fundamental analysis from both top-down and bottom-up perspectives and quantitative analysis. Top-down fundamental analysis begins with an evaluation of global macroeconomic, financial, and political factors to determine global themes and risks that will impact EM countries. Other key themes may pertain to idiosyncratic situations or specific regional or local developments. The analysis progresses into looking for ways of expressing the themes and includes a very detailed analysis of prospective countries that may fit in the specific theme. This involves researching each country's domestic economic cycle, its internal politics, its fiscal and monetary policies, and its external sector dynamics and debt profile. Bottom-up fundamental analysis involves researching idiosyncratic developments in said markets, such as event-driven situations or instances of deeply discounted issues. With respect to corporate issuers, the process involves detailed financial analysis, qualitative analysis of corporate governance, strategy, and outlook, and research into bond-specific terms or features that may materially differentiate a given issue from others issued by the same entity.



After a prospective investment passes the fundamental screening process, Aureana employs quantitative analysis to determine an expected risk-adjusted return for each specific trade. Estimated returns are derived from analyzing valuations as well as the drivers and likelihoods of various scenarios and their consequences for the investment under consideration. Estimated risk, measured as volatility, is derived from analyzing technical factors, correlations with global or other variables, and measuring yield against 3-month rolling price volatility.

After investment screening, potential portfolio investments are evaluated with respect to their impact on the fund's risk-adjusted return. The instrument in question (or one with similar volatility characteristics in case of newer issues) is incorporated into our daily value-at-risk (VaR) report. If the impact on volatility-adjusted return is acceptable, inclusion of the instrument into the portfolio is then evaluated against internal and UCITS (i.e., client) risk limits and constraints. Diversification of issuers and sectors is a key tenet of overall portfolio construction.

### Risks of Loss

All investment programs have certain risks that are borne by the investor.

Our investment approach constantly keeps the risk of loss forefront in our minds. To that end, Aureana undertakes hedging to protect the portfolio from adverse moves in global financial variables or to hedge away unwanted risks to specific positions. Hedging is done through using derivatives, namely: futures, forwards, warrants, options, and swaps, including currency swaps, credit default swaps and interest rates swaps.

Some risk may always remain, however, and the following sample list of investment risks is by no means exhaustive:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of financial instruments may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a

higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial/Credit Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value of securities.
- Pandemic/Public Health Crisis: The impact of public health crises such as the COVID-19 global pandemic prompted world-wide closures of travel, business, and even banned social gatherings in order to limit and control the spread of the virus, which infected millions of people and killed hundreds of thousands across the globe.

## Item 9 - Disciplinary Information

Neither Aureana, nor any of its management persons has been the subject of any material or non-material legal or disciplinary actions.

Please visit [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) at any time to view Aureana's registration information and any outstanding disciplinary action.

## Item 10 - Other Financial Industry Activities and Affiliations

### Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration

Neither Aureana nor its management or associated persons are registered or associated with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA") or an associated person of any of the foregoing. And the Firm has filed a Notice of Exemption pursuant to CFTC regulation guidelines which is refreshed annually.

In some instances, depending on specific investment decisions taken by the adviser in the best interest of or on behalf of its client(s), the Firm may be required to submit CFTC Form 40 and will meet its obligations, if applicable, pursuant thereby.

### Broker-Dealer Registration

Aureana is not registered with the Securities and Exchange Commission (SEC) as a broker-dealer. And none of Aureana's investment adviser representatives are registered with any

broker-dealer. Aureana's CCO, who is not acting in an investment adviser capacity with Aureana nor is involved in making or taking any investment portfolio decisions thereby, is a registered representative of an unaffiliated and completely unrelated separate broker-dealer.

#### Other Material Relationships

Aureana is 50% owned by Le Mans Capital LLC (Ms. Isabel Martinez Lopez) and 50% by Heisenberg Global Partners LLC (Multiple Shareholding). Please refer to Form ADV Part 1 for additional information.

### Item 11 - Code of Ethics

State and SEC regulations impose a fiduciary duty on Investment Firms. As a fiduciary, Aureana has a duty of the utmost good faith to act solely in the best interest of each client - something we treat seriously. Our fiduciary duty compels employees to act with the utmost integrity in all of their dealings. This fiduciary duty is the core principle underlying our "Code of Ethics" and represents the expected basis of all of our dealings with our clients. The Code includes policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place interests of client's first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that Aureana's investment personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

Aureana and its employees may buy or sell securities that are also held by clients; however, the Firm and its employees may not trade their own securities ahead of client trades. Employees must comply with the provisions of the Adviser's Compliance Policies and Procedures, as well as Code of Ethics.

The Chief Compliance Officer of the Adviser or his designee(s) will review all employee trading activity quarterly or more frequently, as necessary. The personal trading reviews ensure that the personal trading of employees does not constitute market manipulation or other market malfeasance and that client or customer positions are not disadvantaged in any way owing to employee trading activity.

The Adviser will provide a copy of the Code of Ethics to any existing or prospective client upon request and any additional comments or concerns raised can be direct to Aureana's Chief Compliance Officer at (212) 677-7011 or [compliance@aurenacapital.com](mailto:compliance@aurenacapital.com).

## Item 12 - Brokerage Practices

Aureana has the sole discretion to select its authorized counterparties with which it conducts business. Aureana does not have any referral arrangements that govern the selection of said counterparties for the purposes of executing transactions pursuant to its mandate.

Aureana relies on a Best Execution policy framework (available upon request) for the successful completion of client trades. Aureana is responsible for the placement of portfolio transactions on behalf of its clients and the negotiation of any commissions or spreads paid on such transactions.

Portfolio investments are normally purchased through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the investments. Purchases of portfolio investments through brokers involve a commission to the broker, which may be embedded in the price of said investment. Purchases of portfolio investments from dealers serving as market makers include the spread between the bid and ask price. The latter pertains more heavily to Aureana given its strategic investment focus and the nature of emerging markets fixed income investing.

Aureana's policy is not to participate in soft-dollar arrangements and Aureana has no formal or informal, soft dollar arrangements. Aureana does not accept referral business and does not direct brokerage business in exchange for client referrals.

## Item 13 - Review of Accounts

Account reviews are performed regularly but not less than monthly by the Portfolio Manager or her assigned designee and by Aureana's Chief Compliance Officer or his assigned designee. During periods of extreme market volatility, the Firm conducts daily reviews of its clients' accounts. Clients or their assigned administrators receive communication on at least an annual basis, or more frequently, as applicable.

## Item 14 - Client Referrals and Other Compensation

Aureana, and its related employees do not presently have arrangements, either orally or in writing, that permit the use of client referrals. Aureana, however, may choose to utilize the services of third-party marketers, a common industry practice, in the future at its own discretion.

## Item 15 - Custody

Aureana does not hold customer funds, securities, or maintain any accounts for the safekeeping of customer assets or deposits. Client assets are held at qualified custodians.

## Item 16 - Investment Discretion

Aureana receives investment management discretion at the outset of its client relationships. This discretion allows Aureana the freedom to identify the type of and buy/sell any amount of securities consistent with its stated investment mandate and expertise.

In the case of private and public funds, Aureana may also act as a discretionary investment adviser, in which case it has the discretion to select the identity and amount of securities to be bought or sold. When determining securities characteristics and amounts, Aureana observes the investment policies, limitations, and restrictions of the relevant parties for whom it advises. Any policy investment guidelines and restrictions are provided to Aureana when the relationship commences.

## Item 17 - Voting Client Securities

Aureana does not invest in Equity Securities and hence will not be required to vote proxies on securities. In the unlikely event a proxy vote is ever necessary, Aureana will evaluate the merits of the proxy proposal and fulfill its fiduciary responsibilities accordingly.

## Item 18 - Financial Information

The Firm has no financial commitments that impair its ability to meet contractual and fiduciary commitments. Neither, the Firm, nor any of its employees, has been the subject of a bankruptcy proceeding. Requests for financial information should be directed to Aureana's Chief Compliance Officer.

## Item 19 – Business Continuity and Information Security

### Business Continuity Plan

Aureana has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, business services or key persons. To this extent, electronic files are backed up daily on local servers and in the cloud and securely archived. The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency,

chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Finally, future public health crises, similar to the ongoing global pandemic outbreak caused by COVID-19, are nearly impossible to predict but have long-ranging, deleterious consequences. The Business Continuity Plan naturally extends to cover such unanticipated events.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients promptly after a disaster that dictates moving our office to an alternate location.

### Privacy and Information Security

Aureana maintains an information security program to reduce the risk that any firm and client information may be breached. Furthermore, Aureana is committed to maintaining the confidentiality, integrity, and security of all records pertaining to business activities of the firm.

We maintain a secure physical office and robust IT infrastructure to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier and use other techniques and multi-factor authentication procedures in our computer environment.

Information about firm activities including any client lists will be maintained as part of our books and records for the required periods pursuant to federal and state securities laws. Federal and state securities regulators may review our company records as permitted by law. After that time, information may be destroyed at the discretion of Aureana.

We will notify relevant parties in advance if our privacy policy is expected to change. By law, we are required to deliver this Privacy Notice annually in writing.