

# VALLEY FORGE CAPITAL

VALLEY FORGE CAPITAL MANAGEMENT, LP

PART 2A OF FORM ADV: FIRM BROCHURE

Valley Forge Capital Management, LP  
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This brochure provides information about the qualifications and business practices of Valley Forge Capital Management, LP (“Valley Forge” or the “Firm”). If you have any questions about the contents of this brochure, please contact Valley Forge’s Chief Compliance Officer, Cindy Lewis, at 610-977-7604 or [clewis@valleyforgecapital.com](mailto:clewis@valleyforgecapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to Valley Forge as a registered investment adviser does not imply a certain level of skill or training.

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

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***Item 2: Material Changes***

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Valley Forge has amended this brochure to reflect the establishment of a sub-advisor relationship as of January 1, 2021. The following sections had material changes:

- Item 4: Advisory Business to reflect the inclusion of the sub-advisory services and associated client.
- Item 5: Fees and Compensation to include the Sub-Advised Fund (as defined below).
- Item 6: Performance-Based Fees and Side-by-Side Management to address conflicts that may be inherent with multiple clients.
- Item 12.B: Brokerage Practices to describe the trade allocation policy for managing multiple portfolios.
- Item 13: Review of Accounts to differentiate the responsibilities with the Fund and the Sub-Advised Fund.
- Item 15: Custody to reflect the custody status with respect to the Sub-Advised Fund.

In addition to the changes described above, this update includes additional risk factors as noted in Item 8: Methods of Analysis, Investment Strategies and Risk of Loss and certain technical, stylistic or clarifying changes intended to enhance the overall brochure.

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*Item 3: Table of Contents*

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**Item 4: Advisory Business**

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**Item 4.A.**

Valley Forge Capital Management, LP (“**Valley Forge**” or the “**Firm**”), a Delaware limited partnership, formerly known as Valley Forge Advisors, LP, is the successor entity to Valley Forge Advisors, LLC. Valley Forge commenced operations as an investment manager in August 2009. Valley Forge’s principal place of business is in Wayne, Pennsylvania.

Listed below are the Firm’s principal owners (i.e., those individuals and/or entities controlling 25% or more of the Firm):

- Devang Kantesaria (through direct and indirect ownership)
- The 2012 Devang V. Kantesaria Family Trust

Devang Kantesaria (the “**Principal**”) has ultimate voting control of the Firm.

**Item 4.B.**

Valley Forge is an investment management firm that provides advisory services on a discretionary basis to privately offered pooled investment vehicles (referred to herein as “**Clients**”), which are intended for investment by certain sophisticated investors, including those that are accredited investors under Rule 501 of Regulation D of the Securities Act of 1933, as amended.

Valley Forge is the adviser to Valley Forge Capital, LP, a Delaware limited partnership (the “**VF Fund**”). Valley Forge Management, LLC, a Delaware limited liability company, is the general partner of Valley Forge Capital, LP (“**General Partner**”). Valley Forge also provides investment advisory services as the sub-advisor to a privately offered pooled investment vehicle (the “**Sub-Advised Fund**” and together with the VF Fund, the “**Funds**” and each a “**Fund**”) sponsored by a large financial services institution (the “**Institution**”) pursuant to a sub-advisory arrangement entered into with the institution. The offering and administration of the Sub-Advised Fund is conducted by the Institution. Each of the VF Fund and the Sub-Advised Fund are offered and operated as to comply with the exemptions from registration under Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended.

The investment objective that Valley Forge pursues on behalf of the Funds is to achieve long-term capital appreciation while seeking to minimize the risk of loss and, in some cases, to outperform the S&P 500 Index over a multi-year timeframe. Valley Forge pursues this investment objective through the selection of companies that the Firm believes are trading at a large discount (in the case of long equity positions) or premiums (in the case of short equity positions) to their intrinsic value. To achieve this objective, Valley Forge invests in both long and short positions consisting primarily, but not solely, of equities and equity-related instruments including options and warrants, subject to any restrictions imposed by the Funds, where applicable. As discussed in the Funds’ offering documents, Valley Forge may also invest in other types of securities and may engage in other investment strategies so long as doing so does not interfere with achieving the stated and agreed upon investment objectives.

Valley Forge does not limit its investment advice to only certain types of investments.

#### **Item 4.C.**

The Firm's advisory services are provided to the Funds pursuant to the terms of the relevant offering documents and based on the specific investment objectives and strategies as disclosed in the offering documents. The advisory services that Valley Forge provides are tailored to meet the specified investment objectives and strategies as set forth in the Funds' offering documents. The Funds may impose restrictions on investing in certain types of securities in accordance with achieving their investment objectives and strategies.

#### **Item 4.D.**

Not applicable. Valley Forge does not participate in a wrap fee program.

#### **Item 4.E.**

As of December 31, 2020, Valley Forge manages approximately \$1,132,113,346 in regulatory assets under management on a fully discretionary basis, as described in the relevant offering documents. Valley Forge does not manage any assets on a non-discretionary basis.

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### ***Item 5: Fees and Compensation***

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#### **Item 5.A.**

##### *Management Fee*

Pursuant to the advisory agreements between Valley Forge and the Funds, each Fund pays a monthly management fee (the "**Management Fee**"). The Management Fee payable by each of the Funds is generally equal to 1.00% annualized, and payable monthly in advance. If an investor is admitted to a Fund other than at the beginning of a month, that investor will pay a pro rata portion of the Management Fee for the number of days remaining in the month. The Management Fee payable by the Funds in respect of any investor may be reduced or waived, with respect to the VF Fund, in the sole discretion of Valley Forge, and with respect to the Sub-Advised Fund, at the election of the Institution and with the consent of Valley Forge.

##### *Incentive Allocation*

The General Partner is generally entitled to a performance allocation equal to 20% of the annual increase, if any, in the net asset value of each investor's capital account in the VF Fund. An affiliate of Valley Forge is generally entitled to a performance allocation in respect of the annual increase, if any, in the net asset value of each investor's capital account in the Sub-Advised Fund as further set forth in the offering documents of the Sub-Advised Fund. The performance allocation is calculated based on both realized gains and losses and unrealized appreciation and depreciation of securities held in the Client's respective portfolio. Generally, any decrease in the net asset value in a fiscal year allocated to any investor's capital account is carried forward in a "loss carryforward" or "high water mark" provision, so that no performance allocation is charged to that capital account unless the losses have been recouped or the previous high water mark has been achieved, as applicable. The performance allocation, if any, is determined at the end of each fiscal year and at the time of each withdrawal from the Fund. The performance allocation made in respect of any investor's capital account may be reduced or waived, with respect to the VF Fund, in the sole discretion of Valley Forge, and with respect to the Sub-Advised Fund,

at the election of the Institution and with the consent of Valley Forge. The calculations of the performance allocation for each of the Funds is set forth in more detail in the respective offering documents of the Funds.

**Item 5.B.**

Management Fees payable by the VF Fund are deducted directly from the VF Fund's account. Valley Forge bills the Sub-Advised Fund for Management Fees payable by the Sub-Advised Fund. Fees are charged at the frequency described in Item 5.A.

**Item 5.C.**

The Firm bears all of its own operational expenses incurred in connection with the provision by it of investment management services to the Funds, including office space and utilities, operational services and secretarial, clerical and other personnel, in each case except to the extent provided through "soft dollars" generated by the Fund (provided that any "soft dollars" will be within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended). The Management Fee may exceed the expenses borne by the Firm on behalf of the Funds.

The Funds each bear their own operational and other expenses, including, without limitation, the Management Fee, costs and expenses incurred in connection with the offer and sale of interests, regulatory filings and reporting, investment-related expenses (e.g., expenses that the Firm reasonably determines to be related to the investment of the Fund's assets, such as fees to prime brokers, brokerage commissions, clearing and settlement charges, custodial fees, wire transfer charges, ticket charges, interest expense, consulting and other professional fees relating to particular investments or contemplated investments), professional fees relating to investments (including, without limitation, fees and expenses of consultants and experts), investment-related travel and lodging expenses and research-related expenses, including, without limitation, quotation equipment and services, expenses relating to third-party providers of risk management services for the Fund's portfolios, legal expenses, internal and external accounting, audit fees, tax structure and preparation expenses, organizational expenses, premiums for insurance (if any and where applicable), fees and expenses of the Fund's administrators, expenses related to the maintenance of the Fund's registered office, franchise taxes, corporate licensing, extraordinary expenses and other reasonable expenses related to the Fund. Such expenses are shared by all of the investors.

Brokerage practices are specifically discussed in Item 12.

**Item 5.D.**

As discussed in Item 5.A., the Management Fee is generally payable monthly in advance as set forth by the offering documents of each Fund. If a Fund terminates the advisory agreement with Valley Forge after the payment of a Management Fee but before the end of the applicable billing period, the Management Fee will be pro-rated based on the number of days elapsed in the month before the termination, and the excess Management Fee will be returned to the account of the Fund.

**Item 5.E.**

Not Applicable. Neither Valley Forge, nor any of its supervised persons, are compensated for the sale of securities or other investment products or mutual funds. Additionally, Valley Forge does not charge its clients advisory fees over and above commissions or markup fees for the purchase and sale of securities for client portfolios.

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***Item 6: Performance-Based Fees and Side-by-Side Management***

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Please see response to Item 5.A for a description of the performance-based allocations charged by Valley Forge in connection with its management of the Funds. Valley Forge has certain conflicts of interest associated with the presence of a performance-based fee. Such fees create an incentive for the Firm to cause the Funds to make investments that are riskier or more speculative than would be the case if there were no performance-based fee. Valley Forge is entitled to different performance allocation percentages in respect of each of the Funds. As a result, Valley Forge may have an incentive to manage the investment of the Funds' investment portfolios differently, including making decisions with respect to the timing or allocation of investment opportunities, or otherwise to favor a higher fee-paying Fund. However, Valley Forge manages the clients in accordance with its investment strategy and any restrictions set forth in the clients' respective organizational documents so that clients' investors are aware of the applicable investment strategy, restrictions and risks.

Notwithstanding the foregoing, Valley Forge is required to act in a manner that it considers fair and equitable, depending on the particular facts and circumstances and the needs and financial objectives of each of the clients in allocating investment opportunities and the execution of trades. However, Valley Forge is not otherwise subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities, or any restrictions on the nature or timing of investments for the clients. Valley Forge addresses this conflict through the application of its trade allocation procedures that are designed to avoid or minimize such conflicts of interest, including policies designed to ensure that investment opportunities are allocated equitably among clients, subject to individual circumstances and investment restrictions. Valley Forge periodically reviews the allocation of investment opportunities and sequencing of transactions to determine whether the clients are treated fairly. Additionally, Valley Forge has adopted a Code of Ethics that addresses potential conflicts of interests and requires, in any situation where the interests of Valley Forge's clients are at stake, the client should be treated fairly and have priority over the economic interests of employees or the Firm.

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***Item 7: Types of Clients***

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The Firm provides investment advisory services through direct management agreements or sub-advisory agreements to the Funds, privately offered pooled investment vehicles, that are intended for investment by certain investors that are accredited investors or non-U.S. investors, each as defined under federal securities law. The respective minimum initial and subsequent subscription amounts are detailed within each Fund's offering documents. The General Partner of the VF Fund, or the Institution with respect to the Sub-Advised Fund, may elect to reduce or waive the minimum thresholds for subscription amounts with respect to any investor.

The Firm does not currently provide discretionary investment advisory services to managed accounts, although it may do so in the future. Managed accounts may be set up for certain large or strategic investors, at the Firm's sole discretion, and will be subject to individually negotiated terms.

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

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**Item 8.A.**

The Firm's investment strategy is discussed in response to Item 4.B, and each Fund's investment objective is described more fully in its respective offering documents. Investments in the Funds involve significant risks and are suitable only for investors who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. There can be no assurance that the Funds will achieve their investment objectives. Investments in the Funds carry inherent risks associated with investments in equities and equity-related securities and the use of leverage and short sales. Each prospective investor should carefully review the respective Fund's offering documents and the agreements referred to therein prior to deciding to invest in the Fund.

**Items 8.B. and 8.C.**

*Nature of Investments.* Valley Forge has broad discretion in making investments for the clients. Investments will generally consist of equity securities, equity-related instruments and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that Valley Forge will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the clients' activities and the value of their investments. In addition, the value of the clients' portfolios may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the clients' investment objectives will be achieved. If the investments selected and strategies employed by Valley Forge on behalf of the clients fail to produce the intended results, the clients' accounts could underperform in comparison to other investments with similar objectives and investment strategies.

*Equity-Related Instruments in General.* Valley Forge may use equity-related instruments in its investment program. Certain options, warrants and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

*Use of Leverage.* The clients may utilize leverage, which results in the clients controlling substantially more assets than the clients have equity. Leverage increases the clients' returns if the clients earn a greater return on investments purchased with borrowed funds than the clients' cost of borrowing such funds. However, the use of leverage exposes the clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the clients not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the clients' cost of borrowing. In the event of a sudden, precipitous drop in value of the clients' assets, the clients might not be able to liquidate assets quickly enough to repay their borrowings, further magnifying their losses.

In an unstable credit environment, Valley Forge may find it difficult or impossible to obtain leverage for the clients. In such event, Valley Forge could find it difficult to implement the clients' strategies. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Valley Forge



being forced to unwind positions quickly and at prices below what Valley Forge deems to be fair value for the positions.

*Portfolio Turnover.* The investment strategies of the clients may require Valley Forge to actively trade the clients' portfolios, and as a result, turnover and brokerage commission expenses of the clients may significantly exceed those of other investment entities of comparable size.

*Small Capitalization Companies.* The clients may invest a portion or all of their assets in equities and equity-related instruments of companies with small market capitalizations. While Valley Forge believes these investments often provide significant potential for appreciation, they generally carry higher risks than investments in larger companies. For example, share prices of smaller companies are often more volatile than share prices of larger companies. In addition, smaller companies may be more illiquid than larger companies due to thin trading.

*Illiquid Investments.* Although most of the instruments traded by Valley Forge on behalf of its clients have a heavy volume of trading, the markets for some of those instruments may have limited liquidity and depth. This lack of depth could be a disadvantage to clients, both in the realization of the prices which are quoted and in the execution of orders at desired prices. The relative liquidity and volatility of a security is determined partly by the market through which it is traded. The use of an organized market means that it should be possible to convert the security to cash at or close to the price of the security. A security is considered illiquid if it is more difficult to convert to a liquid investment such as cash at a price that approximates the value of the security. Securities traded on national securities exchanges are generally more liquid. Securities traded on regional securities exchange or in over-the-counter markets may be less liquid and potentially more volatile. In addition, such securities may be subject to legal or contractual restrictions which may impede Valley Forge's ability to dispose of the securities when it might otherwise desire to do so. Disposing of such investments may involve time-consuming negotiation and legal expenses, and it may be difficult or impossible for Valley Forge to sell such investments promptly at an acceptable price. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations can be pronounced.

*U.S. Government Securities.* Valley Forge may invest in U.S. Government Securities, which are debt securities (including bills, notes and bonds) issued by the U.S. Treasury or issued by an agency or instrumentality of the U.S. government that is established under the authority of an act of the U.S. Congress. Such agencies or instrumentalities include, but are not limited to, Fannie Mae, the Government National Mortgage Association, the Federal Farm Credit Bank and any of the Federal Home Loan Banks. Although all obligations of agencies, authorities and instrumentalities are not direct obligations of the U.S. Treasury, payment of the interest and principal on these obligations may be backed directly or indirectly by the U.S. government. This support can range from the backing of the full faith and credit of the United States to U.S. Treasury guarantees, or to the backing solely of the issuing instrumentality itself. In the case of securities held by clients not backed by the full faith and credit of the United States, Valley Forge will have to look principally to the agency issuing or guaranteeing the obligation for ultimate repayment, and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitments.

*Non-U.S. Securities.* Investing in securities of non-U.S. governments and equities and equity-related instruments such as options and warrants of non-U.S. companies involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges,

brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

*Special Situations.* The clients may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment involving such a special situation, there exists the risk that the contemplated transaction will either be unsuccessful, take considerable time or result in a distribution of cash or a new security, the value of which will be less than the cost basis of the original security or other financial instrument for which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the clients may be required to sell their investments at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, the clients could suffer substantial losses when investing in these situations.

*Concentration of Holdings; Lack of Diversification.* Clients' portfolios will generally hold a limited number of individual securities at any given time. Valley Forge may concentrate client investments in a particular market or industry, or in a limited number or type of securities. Limited diversity could expose clients to losses disproportionate to general market movements if there are disproportionately greater adverse price movements in those positions. The clients' portfolios may not be widely diversified among sectors, industries, geographic areas or types of securities. Furthermore, the clients' portfolios may not necessarily be diversified among a wide range of issuers. Accordingly, the clients' portfolios may be subject to more rapid change in value than would be the case if the clients were required to maintain a wide diversification among companies or industry groups.

*Convergence Risk.* The clients may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying the clients' trading positions were to fail to converge toward, or were to diverge further from, Valley Forge's expectations, the clients may incur a loss.

*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, to either 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.

*Futures Trading.* Futures prices are highly volatile, with price movements being influenced by a multitude of factors such as supply and demand relationships, government trade, fiscal, monetary and exchange control policies, political and economic events and sentiment in the marketplace. Futures trading is also highly leveraged. Furthermore, futures trading may be illiquid as a result of daily limits on movements of prices. Finally, the clients' futures trading could be adversely affected by speculative position limits.

*Derivatives.* To the extent that the clients invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the clients may take a credit risk with regard to parties with whom they trade and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, 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. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the clients, and hence the clients should not be exposed to a credit risk with regard 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 rights to its assets in the case of an insolvency of any such party.

*Short Sales.* Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the clients' portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

*Cash Investments.* Valley Forge may cause the clients' accounts to hold cash or invest in cash equivalents for short-term investments. In addition, in order to handle substantial inflows of cash, Valley Forge may need to maintain the subscription proceeds in cash or cash equivalents for a significant period of time. In times of extraordinary adverse conditions, the clients' accounts may also hold a substantial portion of the net asset value of the account in cash or invest in cash equivalents for defensive purposes. While a client account directly or indirectly holds cash or has investments in cash equivalents, the overall appreciation of the client's assets may be less than if all the assets of the client's account were invested fully in accordance with its investment strategy.

*Non-Controlling Investments.* Valley Forge will typically make non-controlling investments and, therefore, may have a limited ability to protect its investments and may be adversely affected by actions taken by the majority equity holders of the portfolio companies in which it invests.

*Custody.* The clients' assets may be settled or held by custodians or prime brokers. There are risks involved in dealing with prime brokers or custodians who settle trades. There is no guarantee that the prime brokers and/or the custodians that the clients may use from time to time will not become bankrupt or insolvent. In the event of bankruptcy, insolvency, failure, or liquidation of a custodian or prime broker of the clients, the clients may incur losses due to their assets being unavailable for a period of time, the receipt of less than full recovery of its assets, or both. The prime brokers and/or the custodians used by the clients may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the clients. The prime brokers and/or custodians may not be responsible for cash or assets held by sub-custodians in certain non-U.S. jurisdictions, or for any losses suffered by the clients as a result of the bankruptcy or insolvency of any such sub-custodian. The clients may therefore have potential exposure to the default of any sub-custodian. The clients' assets may be pledged as collateral for leverage and/or rehypothecated. In these cases the clients are exposed to counterparty and credit risk with regard to the custodian or prime broker who holds the clients' collateral. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is transaction and custody risk dealing in certain non-U.S. jurisdictions.

*Nonpublic Information.* From time to time Valley Forge may come into possession of non-public information concerning specific companies. Under applicable securities laws, this may limit Valley Forge's flexibility to buy or sell portfolio securities issued by such companies. The clients' investment flexibility may be constrained as a consequence of Valley Forge's inability to use such information for investment purposes.

*Side Letters.* The clients may enter into agreements or side letters with certain existing or prospective investors whereby such investors are subject to terms and conditions that are different than those that are

offered or available to other investors. For example, such terms and conditions may provide for special redemption rights, relating to frequency or notice; a reduction in fees or redemption charges to be paid by the investor and/or other terms; rights to receive reports from the clients on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the respective client and such investors. The modifications are solely at the discretion of the respective client and may, among other things, be based on the size of the investor's investment in the client, an agreement by an investor to maintain such investment in the client for a significant period of time, or other similar commitment by an investor to the client.

*Key Employee.* The Principal has primary responsibility for all investment and trading decisions on behalf of the clients. If for any reason the Principal ceases to participate in the operations of Valley Forge, the Firm's ability to select attractive investments and manage the clients could be severely impaired.

*Cybersecurity.* The Firm's business involves the processing, storage and use of large quantities of data which may include personally identifiable information of investors and information about the clients' underlying investments. Valley Forge has established basic procedures designed to protect this information from loss or theft. Despite the various protections Valley Forge has put in place, the Firm's systems, networks and devices are potentially susceptible to breach, damage or interruption. Information and technology systems used by Valley Forge, the clients and their third-party service providers are vulnerable to, among other things, damage or interruption from computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons, security breaches, usage errors and power outages. Any systems failure or cybersecurity breach affecting Valley Forge, the clients and their third-party service providers could cause disruption to business operations, including limiting the clients' ability to trade or transact business with other service providers, damage and disruption to hardware and software systems, loss or corruption of data and/or the release or misappropriation of investors' personal identifying information and other confidential information. Such outcomes may lead to financial losses, liability under applicable law, regulatory intervention and/or reputational damage.

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***Item 9: Disciplinary Information***

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**Items 9.A., 9.B., and 9.C.**

Not Applicable.

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***Item 10: Other Financial Industry Activities and Affiliations***

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**Item 10.A.**

Not Applicable. Valley Forge is currently not applying to register as a broker-dealer and does not intend to do so.

**Item 10.B.**

Valley Forge and its management persons are not registered, and have not applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or associated persons of a futures commission merchant.

**Item 10.C.**

Valley Forge Management, LLC serves as the General Partner of the Fund.

**Item 10.D.**

Not Applicable. Valley Forge does not recommend or select other investment advisers for its clients.

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

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**Item 11.A.**

Valley Forge has adopted a Code of Ethics (the “**Code**”) that states the requirements of the Firm, its employees, and any related persons, in fulfilling their fiduciary duty to the clients. The Code requires all employees to act at all times in an honest and ethical manner and with the highest integrity in all dealings with clients and place the interests of the clients ahead of those of the Firm, its employees, and/or any related persons at all times. Any exceptions to the below policies require the prior approval of the Chief Compliance Officer. Additionally, any violations of the Firm’s Code of Ethics are required to be reported to the Chief Compliance Officer for documentation and remediation.

As outlined in the Code, the Firm’s personnel, including directors, officers, partners, other persons occupying a similar status or performing similar functions and employees are permitted to maintain personal trading accounts subject to the following supervision: all personal accounts must adhere to the disclosure requirements and restrictions stated in the Code, which require personnel to disclose any and all personal reportable securities on an initial and annual basis, request pre-approval for any personal trades in certain securities, and provide to the Chief Compliance Officer, on a quarterly basis, personal transactions in reportable securities.

Additionally, the Code details: (i) a statement of the standard of business conduct; (ii) restrictions and reporting requirements regarding the giving or receiving of gifts and/or entertainment to and/or from, among others, current or prospective investors, government officials and union officials, by any of the Firm’s personnel; (iii) restrictions and reporting requirements related to political contributions; and, (iv) the requirement for all employees to acknowledge, in writing, having received and read a copy of the Code.

Any exceptions to the above guidelines need prior approval of the Chief Compliance Officer.

A copy of the Code is available to clients or investors and prospective clients or investors upon their individual request.

**Items 11.B., 11.C., and 11.D.**

Valley Forge does not engage in principal transactions. Valley Forge, as a fiduciary, endeavors to always make decisions in the best interests of its clients if conflicts of interest arise. Employees of Valley Forge are prohibited from using their knowledge of clients’ transactions to cause any non-client account to profit from the market effect of such transactions or give such information to a third party who may so profit. Valley Forge may restrict personal trading by employees or related persons in any circumstances where Valley Forge considers it to be in the best interests of the Firm and/or its clients. Valley Forge

may also reverse, cancel, or freeze any transaction or position in an account of an employee or related person that in its discretion it believes is inconsistent with the Code.

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***Item 12: Brokerage Practices***

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**Item 12.A.1.**

Valley Forge retains full discretion to determine the broker or dealer to be used for each securities transaction for clients' accounts and seeks to obtain best execution for its clients by placing orders for the purchase and sale of securities with brokers and dealers based on the Firm's evaluation of the ability of the broker or dealer to execute orders in a prompt and effective manner as well as consider such factors as, including but not limited to, the financial stability and reputation of brokerage firms, implicit trading costs, access to securities with limited liquidity, software functionality and flexibility, efficiency of execution, and the research, brokerage or other services provided by such brokers. There may be instances when, in the judgment of the Firm, more than one broker or dealer is able to offer comparable brokerage services to the clients. In selecting among such brokers or dealers, consideration may be given to those brokers or dealers that provide research services to the clients, the Firm, and any of the Firm's affiliates. However, while it is not the policy of the Firm to pay higher commissions to a broker for receiving such services, it is possible that transaction costs may be higher than if the Firm was not receiving products or services from a broker.

Valley Forge can use soft dollars but has chosen not to do so to date. Research and brokerage services obtained by the use of commissions arising from the clients' portfolio transactions may be used by Valley Forge in its other investment activities and thus, the clients may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. The clients may be deemed to be paying for this research and other services with "soft" or commission dollars generated by clients' transactions. These "soft dollar" commissions may be used by Valley Forge to pay for research and brokerage services that provide lawful and appropriate assistance to Valley Forge in carrying out its investment decision-making responsibilities, as permitted under the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended ("**Section 28(e)**"). Consistent with Valley Forge's offering documents, the Firm may choose to direct the brokerage transactions of the clients to brokers in order to obtain research services, some of which are described below.

Research services furnished by brokers may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services.

Brokerage services furnished by brokers may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirmations or trade affirmations.

**Item 12.A.2.**

Valley Forge does not participate in selecting or recommending broker-dealers in exchange for client referrals.

**Item 12.A.3.**

Not Applicable. Valley Forge does not recommend, request or require that a client direct the Firm to execute transactions through a specified broker-dealer.

**Item 12.B.**

The Firm's policy is to act in a fair and reasonable manner in allocating investment and trading opportunities and placing orders, as applicable, among its clients. In furtherance of the foregoing, the Firm will consider participation in all appropriate opportunities within the purpose and scope of each client's objectives which are under consideration, and the Firm will evaluate such factors as it considers relevant in determining whether a particular situation or strategy is suitable and feasible for each client and in making allocation and trade decisions. The Firm is not obligated to purchase or sell for each client every security which the Firm may purchase or sell for the accounts of other clients, if such a transaction or investment appears unsuitable, impractical or undesirable for a client.

As a result of having multiple clients, Valley Forge will often purchase or sell a particular investment for multiple clients at the same time and will aggregate and allocate those trades in a fair and equitable manner.

If an order is filled at several different prices, via multiple trades, generally all participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. Valley Forge will endeavor to distribute partially filled orders among the clients so that the clients are treated fairly over the long term.

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**Item 13: Review of Accounts**

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**Items 13.A. and 13.B.**

The Principal and Chief Financial Officer review the clients' portfolios on at least a monthly basis or more frequently as circumstances warrant for adherence to the clients' respective investment objectives. The Chief Compliance Officer will also review the clients' assets monthly or more frequently as circumstances warrant. The Chief Financial Officer will review the values of the securities held by the clients on a monthly basis. Additionally, Valley Forge periodically reviews the Firm's brokerage and valuation practices and investment program and objectives.

The administrators of the Funds, independent third parties, reconcile cash and security positions on at least a monthly basis to information received from the Funds' prime brokers and custodians. Valley Forge and the Institution reconcile the VF Fund's and the Sub-Advised Fund's portfolios, respectively, to the administrators' financial statements and prime broker and custodian records on a monthly basis. The Principal and Chief Financial Officer perform this oversight function for the VF Fund.

Circumstances that may warrant or trigger more frequent reviews would include, but are not limited to, errors detected in trading activity reports or inaccurate fee calculations.

**Item 13.C.**

The Funds' investors receive monthly unaudited account statements according to the applicable Fund's offering documents. Investors in the Funds also receive audited financial statements (prepared using U.S. GAAP) on an annual basis.

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**Item 14: Client Referrals and Other Compensation**

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**Item 14.A.**

As noted in the response to Item 12, Valley Forge may receive certain research and brokerage products or services from broker-dealers through soft dollar arrangements. As such, clients may benefit from research services acquired by the Firm as a result of the brokerage transactions of the applicable client. Please see Item 12 for further information on the Firm's soft dollar practices, including the Firm's procedures for addressing conflicts of interest that arise from such practices.

Valley Forge does not receive a direct economic benefit from any third party for providing investment advice or other advisory services to the clients or related to the selection or recommendation of broker-dealers.

**Item 14.B.**

The Firm currently does not maintain any referral arrangements with individuals or entities that may be compensated, directly or indirectly.

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**Item 15: Custody**

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Given that Valley Forge acts as investment adviser to, and that an affiliate of Valley Forge serves as the General Partner of, the VF Fund, Valley Forge may be deemed to have custody of certain investor assets under current applicable regulatory interpretations. As such, and as is required by the safekeeping requirement in Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, all assets of the Fund are held by qualified custodians. On an annual basis, Valley Forge delivers to the Fund's investors audited financial statements within 120 days of fiscal year-end.

Valley Forge does not have custody of the assets of the Sub-Advised Fund.

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**Item 16: Investment Discretion**

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Valley Forge accepts discretionary authority to manage securities accounts on behalf of clients and therefore determine which securities and the amounts of securities it buys and sells. This authority has been granted to Valley Forge by means of the execution of the relevant organizational and/or advisory agreements (e.g., Investment Advisory Agreement) that set forth the scope of the Firm's discretion with respect to the clients.



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***Item 17: Voting Client Securities***

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**Item 17.A.**

Valley Forge has voting authority due to the fact that it has discretionary authority or has been granted authority over the securities held by the Funds and accordingly, the Firm understands its fiduciary responsibility to monitor corporate events and to vote proxies and cast votes in the best economic interests of its clients and not put client interests second to its own economic interests. Valley Forge has established written policies and procedures to identify and address material conflicts of interest related to voting proxies.

Valley Forge may choose not to submit proxy votes depending on the circumstances. Valley Forge will generally vote with managements' recommendations on routine matters.

Clients may obtain information regarding how Valley Forge voted its securities by requesting records of the Chief Compliance Officer, who is responsible for retaining all records related to proxy voting. Additionally, clients may obtain a copy of the Firm's Proxy Voting Policies and Procedures, which are included in the Firm's Compliance Manual, upon request of the Chief Compliance Officer.

**Item 17.B.**

Not Applicable; see response to Item 17.A. Valley Forge has authority to vote client securities.

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***Item 18: Financial Information***

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**Item 18.A.**

Not Applicable. Valley Forge does not require or solicit pre-payment of more than \$1,200 in fees per client, six months or more in advance.

**Item 18.B.**

Valley Forge is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

**Item 18.C.**

Not Applicable. Valley Forge has not been the subject of a bankruptcy petition at any time during the past ten years.

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