

---

---

**MARIANAS FUND MANAGEMENT LLC**

**PART 2A OF FORM ADV: FIRM BROCHURE**

**MARCH 2021**

---

---

300 East Main Street, Suite 301

Charlottesville, Virginia 22902

*This Form ADV Part 2A (“Brochure”) provides information about the qualifications and business practices of Marianas Fund Management LLC (“Marianas” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (646) 762-8001. 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 Marianas is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Registration with the SEC as an investment adviser does not imply a particular level of skill or training in the investment advisory business.*

## **ITEM 2 – MATERIAL CHANGES**

Marianas is amending its ADV Part 2 Brochure to reflect updates since its last annual amendment filed on March 5, 2020. There are no material changes to report since the last amendment; however, this revised ADV part 2 contains certain routine annual updates and enhanced disclosures. Recipients of the Brochure are encouraged to read the Brochure carefully in its entirety.

### **ITEM 3 - TABLE OF CONTENTS**

<b>ITEM 1 –COVER PAGE .....</b>	<b>1</b>
<b>ITEM 2 – MATERIAL CHANGES .....</b>	<b>2</b>
<b>ITEM 3 - TABLE OF CONTENTS.....</b>	<b>3</b>
<b>ITEM 4 – ADVISORY BUSINESS .....</b>	<b>4</b>
<b>ITEM 5 – FEES AND COMPENSATION .....</b>	<b>4</b>
<b>ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>5</b>
<b>ITEM 7 – TYPES OF CLIENTS .....</b>	<b>6</b>
<b>ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....</b>	<b>6</b>
<b>ITEM 9 – DISCIPLINARY INFORMATION .....</b>	<b>10</b>
<b>ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....</b>	<b>10</b>
<b>ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....</b>	<b>10</b>
<b>ITEM 12 – BROKERAGE PRACTICES .....</b>	<b>12</b>
<b>ITEM 13 – REVIEW OF ACCOUNTS .....</b>	<b>12</b>
<b>ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION.....</b>	<b>13</b>
<b>ITEM 15 – CUSTODY.....</b>	<b>13</b>
<b>ITEM 16 – INVESTMENT DISCRETION .....</b>	<b>13</b>
<b>ITEM 17 – VOTING CLIENT SECURITIES .....</b>	<b>13</b>
<b>ITEM 18 – FINANCIAL INFORMATION.....</b>	<b>14</b>
<b>ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS.....</b>	<b>14</b>

#### **ITEM 4 – ADVISORY BUSINESS**

Marianas was founded by Will Snellings in partnership with Ospraie Management, LLC (“Ospraie”) in May 2013 when he was a portfolio manager at Ospraie. Ospraie retains a passive, minority interest in the General Partner (as defined below). Mr. Snellings is the managing member and principal owner of Marianas. Marianas provides investment advisory services on a discretionary basis to a single investment fund, the Marianas Opportunity Fund LP, a Delaware limited partnership (the “Fund”). The Fund is a special purpose vehicle which holds securities of two private companies.

The Firm does not currently provide investment advisory services to clients apart from its management of the Fund, although it may do so in the future. Fund investments and strategies are the decisions of Marianas alone.

Marianas Fund Partners LLC, the general partner of the Fund (the “General Partner”), is an affiliate of Marianas.

All information contained in this Brochure is based on the advisory services that Marianas intends to offer. Investors and other recipients should be aware that while the Brochure includes information about the Fund, it is not a complete description of the terms, risks or conflicts associated with an investment in any Fund. More complete information about the Fund is included in the Fund’s Limited Partnership Agreement, which may be provided to investors only by Marianas or another authorized party. The information contained in this Brochure is qualified in its entirety by reference to disclosures made in a Fund’s Limited Partnership Agreement. In no event should this Brochure be considered an offer to sell or a solicitation to buy interests in any Fund or relied upon in determining whether to invest in any such Fund. This Brochure is designed to provide general disclosures about Marianas’s advisory business for the purpose of compliance with certain regulatory obligations under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and, as such, may differ from (and does not necessarily include all of) the information provided in a Fund’s Limited Partnership Agreement.

Marianas does not participate in any wrap fee programs.

As of December 31, 2020, Marianas had approximately \$203 million in regulatory assets under management, all managed on a discretionary basis.

#### **ITEM 5 – FEES AND COMPENSATION**

##### **Fees**

The Fund pays Marianas a management fee quarterly in advance of up to 0.125% (0.5% annually) of the value of the interests in the Fund (the “Management Fee”).

In addition to the Management Fee, the Firm (or its affiliate) receives a carried interest allocation (“Carried Interest”) entitling it to up to 17.5% of the realized net profits of the Fund. Management Fees and Carried Interest may vary for certain investors or classes thereof.

Marianas and the General Partner reserves the right to waive, modify or calculate differently the Management Fee and any Carried Interest paid with respect to any client or investor in the Fund on a case by case basis.

Management Fees and Carried Interest are generally debited directly from the Fund accounts.

### **Expenses**

As more fully described in the Fund’s Limited Partnership Agreement, the Fund bears expenses in connection with brokerage commissions and other transaction costs, expenses related to proxies, underwriting and private placements, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, custody fees and fees of professional advisors and consultants relating to investments, insurance costs (including directors’ and officers’ insurance, errors and omissions insurance and other similar policies), professional fees, entity-level taxes, interest, borrowed money, investments, and other indebtedness, bank, broker, and dealer service fees, and related expenses and costs.

The Fund bears expenses associated with organizing, administering and continually offering the Fund. Such expenses include legal, accounting, escrow, auditing, recordkeeping, administration, fund accounting, clerical expenses, insurance, expenses incurred in preparing reports, filings and tax information to investors and regulatory authorities (including, without limitation, legal fees and regulatory compliance or other consulting fees relating to reports and for filings in connection with Fund holdings or exposures), expenses of printing and dispatching reports to investors, duplicating expenses, mailing costs, courier costs and filing fees, where applicable.

### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As noted in Item 5, Marianas (or its affiliate) may receive Carried Interest entitling Marianas to a portion of the Fund’s profits.

Under a performance-based structure, Marianas may benefit when capital gains are realized and, because Marianas determines when an investment is sold, it controls the timing of the realization of capital gains. Marianas, its affiliates, principals and personnel also own a portion of the Fund which Marianas believes mitigates any potential conflict of interest.

## **ITEM 7 – TYPES OF CLIENTS**

As noted above, Marianas currently provides investment advice only to the Fund. It may provide investment advisory services to clients other than the Fund in the future.

Interests in the Fund were offered on a private placement basis, and in reliance on Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “’40 Act”), to persons who generally are “accredited investors” as defined under the Securities Act of 1933, as amended, and “qualified purchasers” as defined under the ’40 Act, and who are subject to certain other conditions.

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

Marianas employs a disciplined, focused and concentrated investment approach and is currently managing its remaining private positions in the Fund.

### **Risk Factors**

The following is a brief summary of certain of the more significant risks associated with Marianas’s investment strategies. Investing in securities involves risk of loss that that investors in the Fund should be prepared to bear.

#### ***E-cigarette/Vaping Industry Risks***

The Fund holds investments in private companies that operate in the e-cigarette and vaping industries. Tobacco products, and in particular vapor products, are subject to a wide range of laws and regulations regarding the marketing, sale, taxation, product design including nicotine, flavors and other ingredients, manufacturing and use of nicotine products imposed by local, state, and federal governments. There have been several restrictive regulatory actions, political decisions and other unfavorable developments concerning the nicotine product industry. These developments and any adverse developments that we are not currently aware of may negatively affect the perception of potential nicotine/vaping product customers and may prompt the commencement of litigation or legislation. In the United States, the Food and Drug Administration (“FDA”) has the authority to determine whether nicotine products may remain on the market and whether final regulatory approval will be authorized. Future FDA actions may influence the regulatory approach of other government entities. The Fund also holds investments in a private company that develops cannabis vaporization devices and its performance could be impacted by uncertainties or restrictive regulatory actions related to the cannabis industry.

#### ***Acts of God and Geopolitical Risks***

The performance of the Fund could be impacted by acts of God or other unforeseen and/or uncontrollable events (collectively, “Disruptions”), including, but not limited to, natural

disasters, public health emergencies (including any outbreak or threat of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These Disruptions may affect the level and volatility of security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment's profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions.

The extent of the impact of any such Disruptions on the Firm and the Fund's operational and financial performance will depend on many factors, including the duration and scope of such Disruptions, the extent of any related travel advisories and restrictions implemented, the impact of such Disruptions on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its interference with important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A Disruption may materially and adversely impact the value and performance of any investment, the Firm's ability to source, manage and divest investments, and our ability to achieve the Fund's investment objectives, ultimately resulting in significant losses. In addition, there is a risk that a Disruption will significantly impact the operations of Marianas, and the Fund or even temporarily or permanently halt their operations.

### ***Equity Securities***

Market prices of equity securities generally, and of certain companies' equity securities more particularly, frequently are subject to greater volatility than prices of fixed income securities. Market prices of equity securities as a group have dropped dramatically in a short period of time on several occasions in the past, and are likely to do so again in the future. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or which are the subject of rumors of accounting irregularities. Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends, only if and to the extent declared by the governing body of the issuer, out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer.

### ***Fixed Income Securities***

The value of fixed-income securities will change in response to interest rate fluctuations. When interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline. Fixed income securities can suffer severe losses in periods of high inflation such as experienced in the United States in the 1970's. Currency devaluations are also often associated with declines in fixed income securities prices. Issuers may choose to selectively default on certain classes of their debt.

### ***Illiquid Investments***

The Fund's investments are currently illiquid and involve a high degree of business and financial risk that could result in substantial losses. Because of the absence of active or regulated trading markets for these illiquid investments, and because of the difficulties in determining market values accurately, it may take Marianas longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. Further, companies whose securities are not publicly listed may not be subject to public disclosure and other investor protection requirements applicable to issuers of publicly traded securities.

### ***Concentration of Investments***

The Fund has a concentrated portfolio of two private companies. The concentration of the Fund's investments in a small number of issuers subject the Fund to a greater degree of risk with respect to the failure of one or a few issuers or with respect to economic downturns in relation to such industry.

### ***Valuation of Private Investments***

The Fund's investments include interests in privately held securities and other private instruments which are valued by the Firm. The process of valuing such securities for which price quotations are not available is based on inherent uncertainties and conflicts. The resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available for certain of the Fund assets. The Firm is generally required to report the value of the Fund assets based on applicable Generally Accepted Accounting Principles and has adopted a policy regarding the valuation of the Fund assets in order to provide a basis for establishing valuations reported. The Fund's valuation of these positions may differ materially from the value ultimately realized upon the liquidation of such investments, particularly as certain of such investments tend to have realization and/or events which cause their value to increase or decrease suddenly in a manner not previously reflected in the net asset value at which investors have recently subscribed and/or withdrawn. There will often be no trading market for illiquid longer-term investments, and they might only be able to sell these positions, if at all, at materially disadvantageous prices.



## ***Cybersecurity Risks***

Marianas's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Marianas has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, Marianas may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Marianas's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Marianas's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of Marianas's information, technology or security systems could have an adverse impact on its ability to manage the private investment fund referred to herein. The foregoing list of risk factors does not purport to be a complete analysis or explanation of the risks associated with Marianas's investment strategies and, as applicable, with an investment in the Fund.

## **General Risk Factors Related to Investing in Private Funds**

An investment in the Fund is speculative and involves a high degree of risk, which each investor must carefully consider. The Fund is subject to market risks common to other types of investments, including market volatility. Other risks associated with Fund investments include, but are not limited to, the fact that the Fund:

- can be highly illiquid;
- is not required to provide periodic pricing or valuation information to investors;
- may involve complex tax structures and delays in distributing important tax information;
- is not subject to the same regulatory requirements as registered funds;
- may charge higher fees and the high fees may offset the Fund's profits;
- can have performance that is volatile;
- has a lack of diversification and, therefore, higher risk;
- may not have a secondary market for an investor's interest in the Fund and none may be expected to develop; and

- may have restrictions on transferring interests in the Fund.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

There have been no legal or disciplinary events involving the Firm, or any of the management personal that are material to the Firm’s advisory business or to the integrity of the Firm’s management.

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

Currently, the General Partner is an affiliated adviser and is under common control and subject to Marianas’s Code of Ethics and the compliance program which has been developed in accordance with the requirements of the Advisers Act.

Ospraie or one of its affiliates is a minority, passive member of the General Partner.

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

##### **Code of Ethics and Personal Trading**

Marianas’s Code of Ethics (the “Code”) sets forth a standard of business conduct expected of all Marianas employees, reflecting Marianas’s fiduciary obligations, supervisory requirements, and duty to comply with applicable federal securities laws. Employees are provided with a copy of the Code and are required to sign and acknowledge that they have read and understand it on an annual basis.

The Code requires Marianas’s employees to periodically report their personal securities holdings and transactions to Marianas’s Chief Compliance Officer (“CCO”) or her designee. The Code also requires each employee’s broker-dealer to provide duplicate personal account statements and trade confirmations directly to Marianas or its designee.

The Code includes restrictions designed to supervise the giving or receiving of gifts and entertainment, and employees’ outside business activities.

##### **Gifts and Entertainment**

The Code restricts Marianas employees from giving a gift to, receiving a gift from, or giving or accepting entertainment to or from certain third parties if such gift or entertainment is likely to compromise the independence of its recipient or his/her judgment and is likely to cast doubts over his/her integrity or to seem disproportionate to the business relationship. Certain limits,

reporting requirements and prohibitions have been established with respect to giving and the receipt of gifts above certain thresholds.

### **Outside Activities**

Marianas employees are encouraged to engage in worthy activities for their community or personal development. Such activities, however, should not impair the working efficiency or responsibilities of the individual. Marianas employees may from time to time be asked to serve as a director, adviser, consultant, or employee or engage in other forms of participation in other companies or organizations. Because such commitments may involve substantial responsibilities, or they may present actual or apparent conflicts of interest, Marianas employees are required to obtain written approval prior to accepting such positions.

### **Material Non-Public Information**

Marianas maintains policies and procedures that are designed to detect and prevent the misuse of material nonpublic information by Marianas and its employees. In accordance with these policies, to prevent trading of public securities based on material nonpublic information, Marianas maintains and updates as needed a “restricted” securities list of companies about which Marianas employees have or expect to receive material, non-public information. Marianas has a separate privacy policy designed to protect the security, confidentiality, and integrity of private information of Marianas and investors in the Fund.

### **Interests in Client Transactions**

Marianas and/or affiliates of Marianas have interests in the Fund. In addition, certain members, officers and employees of Marianas and its affiliates are permitted to own, buy and/or sell interests in the Funds.

### **Additional Considerations**

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Marianas, its affiliates and their respective personnel. Marianas has established policies and procedures to monitor and resolve conflicts and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

Marianas will provide a copy of the Code of Ethics to any current or prospective Fund investor upon request.

## **ITEM 12 – BROKERAGE PRACTICES**

### **Trading and Execution**

The Firm does not currently make use of brokers for the purposes of purchasing and selling securities on behalf of the Fund because the securities held by the Fund were acquired in privately negotiated purchase and sales transactions. To the extent that such securities become publicly traded instruments, the Firm would seek to obtain “best execution” for the Fund’s transactions. In seeking best execution, Marianas may consider several factors, including: total price, net of commissions; capital position of the broker; ability to consummate and clear trades in an orderly and satisfactory manner; consistent quality of service; risks taken in positioning a block of securities; broad market coverage resulting in a continuous flow of information regarding bids and offers; and research and investment ideas and any execution services provided by the broker. Accordingly, although Marianas will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for Client account transactions. The commission and/or transaction fees charged by a broker may be higher or lower than those charged by other brokers.

### **Soft Dollars**

The Firm does not expect to open or maintain soft dollar accounts with any brokers. Marianas currently does not receive research products or services from brokers in connection with its execution of trades, known as “soft dollar” arrangements.

## **ITEM 13 – REVIEW OF ACCOUNTS**

The Fund is audited on an annual basis by an independent public accounting firm. Fund investors generally receive (i) audited annual financial reports, (ii) unaudited quarterly financial reports, and (iii) annual tax information for the completion of tax returns. In addition to the information provided to all investors, Marianas may provide certain investors with additional information or more frequent reports that other investors will not receive, possibly enabling such investors to better assess the prospects and performance of the Fund. In addition, investors may be provided with information about Marianas and the Fund in response to questions and requests, and/or in connection with due diligence meetings and other communications, but such information will not be distributed to other investors and prospective investors who do not request such information. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by Marianas is sufficient for its needs.

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

Marianas currently does not receive any economic benefit from non-clients for providing services to clients.

In addition, Marianas does not compensate any third-party for client referrals directly to it for advisory services and does not receive any economic benefit from a third-party for providing investment advice or other services to its clients. Thus, it has no cash solicitation arrangements subject to the SEC's cash solicitation rule of Rule 206(4)-3 under the Advisers.

#### **Item 15 – Custody**

Where applicable, Marianas uses third party unaffiliated qualified custodians to hold the assets of the Fund in accordance with current Federal securities laws. Although Marianas is deemed to have custody of underlying assets of the Fund, Marianas relies on the annual audit exception for the Fund provided under Rule 206(4)-2 of the Advisers Act with respect to the Fund. The Fund is audited annually by an independent public accountant that is both registered and inspected by the Public Company Accounting Oversight Board. Audited financial statements of the Fund are distributed to investors in the Fund within 120 days of its fiscal year end. Investors in the Fund are urged to carefully review such statements and compare them to account information that Marianas provides.

#### **Item 16 – Investment Discretion**

Marianas, through its limited partnership agreement, generally maintains full investment discretion with respect to the Fund. Investors in the Fund generally may not place any limit on Marianas's authority beyond the limitations set forth in the Limited Partnership Agreement and other Fund documents.

#### **Item 17 – Voting Client Securities**

While the private investments made by the Fund are not typically the subject of proxies, there could be certain circumstances where the Firm, having discretionary authority over the Fund, may be asked to vote the securities of the Fund on restructuring and other corporate matters.

Where Marianas has the discretion to make decisions regarding corporate actions or proxies, if any, in connection with investments held by the Fund, the Firm will adopt proxy voting policies and procedures, pursuant to Rule 206(4)-6 under the Adviser Act. The Firm's policies and procedures will be reasonably designed to ensure that proxies and corporate actions are determined in the best economic interest of the Fund and to avoid conflicts between the interest

of Marianas and the Fund, as determined by Marianas in its discretion. Marianas will refrain from voting proxies where Marianas believes that voting would be inappropriate.

**Item 18 – Financial Information**

Marianas is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients, nor has it been the subject to any bankruptcy proceeding.

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

Not applicable.