

**Item 1 – Cover Page**

**Part 2A of Form  
ADV Brochure for:**

**BARCA CAPITAL, LLC**

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Newton, MA 02466  
[www.barcacapital.com](http://www.barcacapital.com)**

**March 9, 2021**

**This brochure provides information about the qualifications and business practices of Barca Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 992-6334. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Barca Capital, LLC is a registered investment adviser with the SEC. Registration of an Investment Adviser does not imply any certain level of skill or training.**

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

**Item 2 – Material Changes**

This is Barca Capital, LLC's initial filing of Form ADV Part 2A for purposes of registration as an investment adviser with the SEC.

In future amendments, material changes to this Part 2A of Form ADV will be itemized in response to this Item.

**Item 3 – Table of Contents**

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**Item 4 – Advisory Business****A. Description of Advisory Firm**

Barca Capital, LLC (the “Manager” or “Barca Capital” and together with the general partner of the funds it manages, the “Advisor,” “we” or “us”) is a Delaware limited liability company registered with the Securities and Exchange Commission (the “SEC”) as an investment adviser under the Investment Advisers Act of 1940, as amended. Ryan Floyd is the Managing Member and principal owner of Barca Capital.

**B. Description of Advisory Services**

Barca Capital provides investment management services to the following private investment funds (collectively, the “Partnerships,” “Clients,” or “Funds”): (i) Barca Global Master Fund, L.P. and (ii) Barca Global Fund, L.P. Investment advisory services are provided to each Client pursuant to the terms of an investment management agreement between each Partnership and the Manager.

Barca Capital invests and trades on behalf of its Clients according to the Partnerships’ investment objectives, which focus on obtaining capital appreciation by primarily investing in securities with exposure to emerging and frontier markets. Barca Capital will use fundamental analysis to exploit market inefficiencies. Barca Capital’s strategies and the risks involved are described further in Item 8.

The Funds conduct private offerings of their interests (“Interests”) to certain qualified investors, as described in Item 7 (such investors are referred to herein as “Investors”).

**C. Client Tailored Services and Client Imposed Restrictions**

Advisory services are tailored to achieve the Clients’ investment objectives. Advisory services are not tailored to the individual needs of Investors. Barca Capital has discretionary authority over the investments comprising Clients’ portfolios and is not bound by any fixed restrictions or guidelines other than those stated in the Funds’ relevant governing documents.

**D. Wrap Fee Programs**

We do not participate in or offer wrap fee programs.

**E. Assets Under Management**

As of December 31, 2020, we have regulatory assets under management on a discretionary basis of \$ 233,683,327. We do not manage any assets on a non-discretionary basis.

**Item 5 – Fees and Compensation****A. Advisory Fees**

The Client shall pay Barca Capital, or to a person designated by Barca Capital, a quarterly management fee (the “Management Fee”), due and payable at the beginning of each calendar quarter. The Management Fee will be calculated based on the capital account of each Investor as of the beginning of each calendar quarter (pro-rated for periods of less than a calendar quarter) and

will be equal to: (i) .50% (2.0% per annum) until the fifth anniversary of an Investor's initial investment in the Partnership and (ii) .25% (1.0% per annum) thereafter. The Client will not be separately charged a management fee by Barca Capital. Investors admitted to the Fund(s) other than on the first day of a calendar quarter will be subject to a pro rata portion of the Management Fee for such quarter based upon the portion of the quarter for which it is an Investor. An Investor who withdraws at any time other than at the end of a quarter shall not be reimbursed a pro rata portion of the Management Fee. Barca Capital may, in its discretion, waive, reduce or rebate the Management Fee with respect to the capital account of any Investor, including affiliates of the general partner or the investment manager.

The Client shall also pay to Barca Capital, or to a person designated by Barca Capital, a performance allocation that is further described in Item 6.

Please consult individual Funds' documents for complete information regarding calculation and payment of Barca Capital compensation arrangements.

## **B. Expenses**

Generally, the Clients bears all costs and expenses related to its investments and its operations.

Barca Capital treats master-feeder fund structures as a common business enterprise for expense allocation and all organizational and operational expenses of the feeder funds are generally charged to the master funds. In such event, Barca Capital will allocate the expenses to the Funds in the manner it determines to be fair and equitable in its sole discretion, which will generally be in proportion to the net assets of the feeder fund in a master fund. Expenses may include but are not limited to:

- brokerage and other transaction costs,
- clearing and settlement charges,
- trade break fees,
- interest and commitment fees on debit balances or borrowings,
- borrowing charges on securities sold short,
- costs of any liability insurance obtained on behalf of the Clients,
- custody fees,
- costs of any litigation or investigation involving Client's activities,
- indemnification expenses (excluding any legal fees and expenses in connection with a proceeding initiated by an Indemnified Party (as defined in "Summary of the Limited Partnership Agreement-Partner Liability") with respect to another Indemnified Party or a proceeding initiated by another Indemnified Party with respect to such Indemnified Party),
- Management fee
- consulting expenses,
- research expenses (including related travel expenses),
- legal and other expenses in connection with conducting due diligence and negotiating the terms of certain investments,
- the fees and expenses of professionals providing services to the Clients, including legal, audit, accounting, tax and administration,
- any issue or transfer taxes chargeable in connection with any securities transactions,
- any entity level taxes, regulatory costs, filing and license fees,
- the costs of reporting and providing information to Investors
- any extraordinary expenses.

The management fees, performance allocation, and expenses are deducted from Client assets.

Item 12 further describes the factors that Barca Capital considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

#### **Item 6 - Performance-Based Fees and Side-By-Side Management**

Barca Capital receives a performance allocation, which is a performance-based fee, from some of its Investors. The performance allocation, if any, is negotiable and varies among Investors.

Barca Capital generally receives a performance allocation on December 31 of each year, equal to 20% of the excess net capital appreciation attributable to each Investor's capital account, but only to the extent net profits allocated to that Investor exceed any cumulative losses that were allocated to that Investor for earlier periods and that have not been recovered (a "high water mark"). In the event an Investor is permitted or required to withdraw completely or partially from the Partnership other than at the end of the fiscal year, the performance allocation made at the Master Fund level with respect to such Investor for such year will be determined through the applicable withdrawal date. The performance allocation creates an incentive for Barca Capital to make investments that are riskier or more speculative than would be the case in the absence of a performance allocation to Barca Capital based on performance of the Clients.

**The foregoing responses to Items 5 and 6 represent Barca Capital's basic compensation arrangements. The management fees and performance allocations described above are structured to comply with Rule 205-3 under the Investment Advisers Act of 1940. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although Barca Capital believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

#### **Item 7 – Types of Clients**

Barca Capital provides investment advice and management to the Clients as described above. Barca Capital may in the future provide the same or similar services to other privately placed investment funds.

Prospective investors in the Funds must meet eligibility criteria and are subject to certain withdrawal requirements and limitations as set forth in the Funds' offering documents. Prospective investors are encouraged to thoroughly review the Funds' offering documents and any other materials provided by Barca Capital, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ. Barca Capital may waive, reduce, increase, or alter requirements in particular cases and may change them as to new investors in the future.

Depending on the Fund, Interests are offered to "accredited investors" (as defined in Regulation D under the Securities Act of 1933) and to "qualified purchasers" (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")). The minimum initial investment is \$500,000. We have the absolute discretion to accept contributions of a lesser amount.

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

The overall investment objective of the Partnership is to obtain capital appreciation by primarily investing in securities with exposure to emerging and frontier markets. The Manager will use fundamental analysis to exploit market inefficiencies. The Advisor will complement its fundamental analysis with a screening for macroeconomic indicators when structuring the Partnership's portfolio.

The Manager seeks to exploit gaps that exist in many countries between the economic and financial reality on the one hand and the market participants' understanding on the other. The Manager seeks to maintain a diversified portfolio, based on geography and sector. The portfolio will not be diversified at all times.

The Manager may use leverage. The Manager may use short positions as well as other hedging instruments, when deemed necessary, to manage portfolio risk or as a source of return. The Advisor may use certain risk management methods in structuring and monitoring the Partnership's portfolio, which will vary over time based on the Advisor's assessment of the market.

**Risk of Loss**

An investment in the Partnership is speculative and involves substantial risks. Interests are intended for sale to a limited number of experienced and sophisticated Investors. Investors must be willing to bear the risks of this investment, including the possible loss of all or a substantial part of their investment, for an indefinite period of time. No guarantee or representation is made that the Partnership's investment program will be successful. Each prospective investor should therefore carefully review the Certain Risk Factors in the Partnership's Offering Document before deciding whether to invest in the Partnership. The Offering Document contains a more detailed discussion of the market and investments risks along with the risks associated with the Partnership. The Manager strongly encourages potential investors to carefully consider and to consult regarding the risks of investment in the Partnership, as they deem necessary. Listed below are some of the key risk factors associated with the investment strategies pursued by the Funds.

*Potential Market Volatility.* The prices of certain securities listed on stock markets in emerging countries can be subject to sharp fluctuations and sudden declines and no assurance can be given as to the future performance of listed securities in general. The volatility of securities traded in emerging and frontier markets may be substantially greater than in more developed stock markets. Furthermore, many of the securities on such markets are likely to be less liquid than comparable securities trading on more established markets.

*Foreign Investment Infrastructure.* The infrastructure for the safe custody of securities and for purchasing and selling securities, settling trades, collecting dividends, initiating corporate actions, and following corporate activity is not as well developed in emerging markets as is the case in certain more developed markets. Additionally, some emerging markets are developing fast and this can give rise to strains on the investment infrastructure. Brokerage commissions, dealer concessions and other transaction costs may be higher on these markets than in more developed stock markets.

*Corporate Disclosure, Accounting and Regulatory Standards.* Companies in some emerging countries are not subject to disclosure, accounting, auditing and financial standards which are equivalent to those applicable in more developed countries. There is less rigorous government supervision and regulation, and regulatory regimes relating to foreign investment are still relatively new in these countries. This may mean that rules are being applied for the first time or inconsistently which may result, inter alia, in the amount and nature of information available to the Partnership about investee companies and potential investments being inconsistent from time to time and from company to company.

**Political Climate.** Many emerging countries have historically been subject to political instability and their prospects are tied to the continuation of economic and political liberalization in the region. Instability may result from factors such as government or military intervention in decision-making, terrorism, civil unrest, extremism or hostilities between neighboring countries. An outbreak of hostilities could result in substantial losses for the Partnership. Extremist groups in certain countries have traditionally held anti-Western views and are opposed to openness to foreign investments. If these movements gain strength, they could have a destabilizing effect on the investment activities of the Partnership.

**Foreign Securities.** The Partnership may invest in securities of non-U.S. issuers. The Partnership's investments in securities and instruments in foreign markets involve substantial risks not typically associated with investments in U.S. securities. Foreign securities investments may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the U.S. and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of the Partnership's assets denominated in that currency and thereby impact the Partnership's total return on such assets.

Investments in foreign securities will also occasion risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of Partnership assets and any effects of foreign social, economic or political instability. In the event of a default of any foreign debt obligations, it may be more difficult for the Partnership to obtain or enforce a judgment against the issuers of such securities.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher in foreign markets than in the U.S. In addition, differences in clearance and settlement procedures in foreign markets may occasion delays in settlements of the Partnership's trades affected in such markets.

**Inflationary Pressures.** There is no assurance that inflation rates will not increase in these emerging markets. High inflation may lead to the adoption of corrective measures designed to moderate growth, regulate prices of commodities and otherwise contain inflation, and such measures could inhibit economic activity in the emerging markets in which the Partnership invests and thereby possibly affect the Partnership's investments.

**Systemic Risk.** World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in the Partnership losing substantial value caused predominantly by liquidity and counterparty issues which could result in the Partnership incurring substantial losses.

**General Economic Conditions.** The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equities and interest-sensitive instruments. Unexpected volatility or illiquidity in the markets in which the Partnership holds positions could cause the Partnership to incur losses.

**Currency Risks.** The Partnership invests primarily in securities denominated in currencies other than the U.S. Dollar, but the Partnership's net assets will be determined in U.S. Dollars. The Partnership does not anticipate that it will seek to hedge foreign currency risk. Accordingly, Investors may bear the risk of adverse movements in the U.S. Dollar exchange rate with the currencies in which the investments made by the Partnership are denominated.

**Use of Leverage.** The Advisor may leverage the Partnership's portfolio through margin and other debt in order to increase the amount of capital available for investments. Although leverage increases



returns to Investors if the Partnership earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to Investors if the Partnership fails to earn as much on such incremental investments as it pays for such funds. In the event that the Partnership leverages its portfolio, fluctuations in the market value of the Partnership's portfolio will have a significant effect in relation to the Partnership's capital and the risk of loss and the possibility of gain will each be increased. In addition, when the Partnership utilizes leverage, the level of interest rates generally, and the rates at which the Partnership can borrow in particular, will be an expense of the Partnership and therefore affect the operating results of the Partnership. Leverage increases the risk of substantial losses (including the risk of a total loss of capital), and leverage can significantly magnify the volatility of the Partnership's portfolio.

The Partnership may use short-term margin borrowing in purchasing securities positions. Such borrowing, if made, may result in certain additional risks to the Partnership. For example, should the securities pledged to brokers to secure the Partnership's margin accounts decline in value, the Partnership could be subject to a "margin call" pursuant to which the Partnership would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in value of the Partnership's assets, the Partnership might not be able to liquidate assets quickly enough to pay off its margin debt.

*Short Sales.* The Advisor may, from time to time, engage in short sales as part of hedging transactions or when it believes securities are overvalued. Short sales are sales of securities the Partnership borrows but does not actually own, usually made with the anticipation that the prices of the securities will decrease and the Partnership will be able to make a profit by purchasing the securities at a later date at the lower prices. The Partnership will incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss.

Short sale transactions have been subject to increased regulatory scrutiny in response to recent market events, including the imposition of restrictions on short selling certain securities and reporting requirements. The Partnership's ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Moreover, the ability to continue to borrow a security is not guaranteed and the Partnership is subject to strict delivery requirements. The inability of the Partnership to deliver securities within the required time frame may subject the Partnership to mandatory close out by the executing broker-dealer. A mandatory close out may subject the Partnership to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or clearing broker-dealers, may materially impact the Partnership's ability to effect short sale transactions. Such action or inaction may include a failure to deliver securities in a timely manner in connection with a short sale effected by a third-party unrelated to the Partnership.

*Small and Mid-Cap Risks.* A portion of the Partnership's assets is expected to be invested in securities of small-cap and mid-cap issuers, which present certain risks. For example, small and mid-cap issuers often have limited operating histories, product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and, thus, may create a greater chance of loss than investments in securities of larger-cap issuers. The market prices of securities of small and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers. Transaction costs in securities of small and mid-cap issuers may be higher than in those of large-cap issuers.

*Illiquid Securities.* The Partnership's assets will be invested in illiquid or restricted securities. Such securities may have to be held for a substantial period of time before they can be liquidated, if at all.

Market prices for such securities are often volatile and may not be ascertainable. The resale of restricted and illiquid securities often may have higher brokerage charges.

**Industry Concentration and Diversification.** There are no express limitations on the percentage of the Partnership's assets that may be invested in any particular industry or country. Accordingly, the Partnership's assets could be concentrated in or more issuers, industries or countries. The Partnership should not be viewed as a complete investment program and the Partnership will not be adequately diversified in all market conditions.

**Options.** Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. Over-the-counter options that the Partnership may use in its investment strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid.

**Swap Transactions.** The Partnership may enter into swap agreements, including total return swaps. Swap agreements are typically two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to many years. In a standard "swap" transaction, two parties agree to exchange the returns (or the differential in rates of return) earned or realized on particular predetermined investments, instruments, or indices. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount". Swap transactions may be highly illiquid. Moreover, the Partnership bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. Swaps and certain other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

**Epidemics, Pandemics and COVID-19.** The impact of disease and epidemics may have a negative impact on the Partnership. Coronavirus ("COVID-19"), renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on U.S. and international businesses. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. While governmental agencies and private sector participants will seek to mitigate the adverse effects of Coronavirus, which may include such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel and other restrictions, and the medical community is seeking to develop vaccines and other treatment options, the efficacy of such measures is uncertain. The duration and intensity of resulting business disruption and related financial and social impact are uncertain and such adverse effects may be material. The extent to which Coronavirus (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions required to contain COVID-19 or treat its impact, among others.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Barca Capital or the integrity of Barca Capital's management. Barca Capital has no information applicable to this Item.

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

Barca Capital provides investment advice and management to Clients as described above, including but not limited to Barca Global Fund, LP and Barca Global Master Fund, LP. We are not registered, and do not have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, or a commodity trading advisor.

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

Barca Capital has adopted a Code of Ethics (“Code”) that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with Barca Capital, and establishes procedures intended to prevent Barca Capital, and its personnel and certain of their relatives, from inappropriately benefiting from Barca Capital’s relationships with its Clients. The Code provides:

- Barca Capital’s Clients’ interests come before Barca Capital’s or employees’ interests;
- Barca Capital must disclose to Clients all material facts about conflicts of which it is aware between Barca Capital’s and its employees’ interests on the one hand and Clients’ interests on the other;
- employees must operate on Barca Capital’s and their own behalf consistently with Barca Capital’s disclosures to and arrangements with Clients regarding conflicts and its efforts to manage the impacts of those conflicts;
- Barca Capital and its employees must not take inappropriate advantage of Barca Capital’s Clients or their positions of trust with or responsibility to Clients; and
- Barca Capital and its employees must comply with all applicable securities laws.

The Code requires employees to report personal securities holdings on a period basis. In addition, Barca Capital or a designated third party monitors all employees’ securities transactions. The Code includes procedures for and restrictions on employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement that may be caused by Client transactions. The Code also contains restrictions on and procedures to prevent inappropriate trading while Barca Capital is in possession of material nonpublic information.

Barca Capital may provide a copy of its Code of Ethics to any Investor or prospective Investor upon request. A request may be made by submitting a written request to Barca Capital at the address on the cover page to this brochure.

**Participation or Interest in Client Transactions.**

Neither Barca Capital nor its officers, partners, directors, or employees may recommend to Clients, or buy or sell for Client accounts, securities in which they have a material financial interest (this may include, among other things, buying securities from or selling securities to Clients or acting as an investment adviser to an investment company that they recommend to Clients). This involves a conflict of interest. As such, Barca Capital prohibits its employees and related persons from engaging in these types of transactions.

Barca Capital and certain of its principals and employees may invest directly in the Funds but such investments are not subject to the advisory fees described in Item 5. The fact that Barca Capital and

its principals and employees have financial ownership interests in the Funds creates a potential conflict in that it could cause Barca Capital to make different investment decisions than if such parties did not have financial ownership interests. Barca Capital addresses these potential conflicts through regular monitoring of the Fund portfolios for consistency with the Funds' objectives, strategies, and target capacity. Further, Barca Capital carefully considers the risks involved in any investments and the Manager provides extensive disclosure regarding the potential risks that come with investing in a Fund. The Code requires the Manager and its employees to place the interests of Clients over their own or those of the Manager.

Because Barca Capital receives Management Fees, from Clients based on a percentage of assets under management, which are payable without regard to the overall success or income earned by the Clients, this creates an incentive on behalf of the Manager to raise or otherwise increase assets under management to a higher level than would be the case if Barca Capital were receiving a lower or no management fee.

### **Personal Securities Transactions.**

Except for accounts over which employees of Barca Capital have no discretionary power, influence or control, all employees are prohibited from trading in any equity securities, equity options, warrants or other instruments convertible into equities, with some limited exceptions. In certain instances, they are allowed to hold those instruments as long-term investments. This involves a conflict of interest because they will have an incentive to prefer their own interests to those of the Clients'. Barca Capital addresses these conflicts by establishing policies and procedures to monitor and resolve conflicts of interest 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.

### **Item 12 – Brokerage Practices**

Barca Capital will have complete discretion in deciding what brokers-dealers the Funds will use and in negotiating rates of brokerage compensation.

### **General Selection Criteria**

In choosing brokers-dealers, Barca Capital will consider many factors. For the most part, Barca Capital will seek to obtain the best combination of brokerage expenses and execution quality of the Client transactions, but, as discussed below, Barca Capital is not required to select the broker-dealer that charges the lowest transaction cost, even if that broker-dealer provides execution quality comparable to other broker-dealers. Relevant execution factors include items such as:

- Maintaining the confidentiality of Barca Capital's daily trading;
- The execution capabilities;
- The manner and timeliness of the broker responding to any trade error;
- Any research or referrals provided by the broker;
- The importance to the account of speed and efficiency of execution;
- The reputation and sustainability of the broker-dealer or bank;
- The apparent familiarity of the broker-dealer or bank with sources from or to whom particular securities might be purchased or sold;
- The ability and willingness of the broker-dealer or bank to facilitate the portfolio transactions by participating therein for its own account; and
- Other matters relevant to the selection of a broker-dealer or bank for portfolio transactions

Brokers must maintain the confidentiality of Barca Capital's daily trading and be reliable in the timeliness and the price competitiveness of their trade executions. Barca Capital has no obligation

to deal with any broker-dealer in executing transactions in the Clients' portfolio securities. Barca Capital may cause the Clients to pay a brokerage commission in excess of that which another broker-dealer might charge for effecting the same transaction in recognition of the value of the brokerage, research and other services. Barca Capital periodically evaluates the execution performance of broker-dealers to ensure that the services provided are consistent with best execution.

**Soft Dollars**

Barca Capital does not maintain any soft dollar relationships.

**Aggregation of Orders**

Barca Capital does not aggregate orders between or among Client accounts.

**Cross Trades**

Barca Capital does not conduct cross transactions between or among Client accounts.

**Item 13 – Review of Accounts**

Barca Capital performs various monthly, quarterly and periodic reviews of the Clients' portfolios. Such reviews are conducted by Barca Capital's portfolio managers and Chief Operating Officer.

Barca Capital, on behalf of each Client, sends Investors unaudited monthly statements of the Clients' accounts, and annual audited financial reports prepared by the Clients' auditors. Investors, where applicable, also receive an annual statement of taxable income (form K-1).

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

Registered investment advisers are required to disclose all material facts regarding any compensation or other benefits it receives, directly or indirectly, for client referrals. Barca Capital does not currently compensate any third-party for client referrals.

**Item 15 – Custody****Custody, Clearing and Settling**

Barca Capital obtains custodial, clearing, settlement and related services on behalf of its Clients through what is known as a "custodial" arrangement with various "qualified custodians." Under that arrangement, the qualified custodian (a bank or broker-dealer) maintains custody of each Client's funds and securities (either directly or through its clearing brokerage firm) in a separate account for each Client. In addition, the qualified custodian may have sub-custodial arrangements with certain regional broker-dealers and banks. Barca Capital reserves the right to change the custodians used or enter into additional custodial arrangements at any time.

At the end of each fiscal year, each of Barca Capital's Clients has its financial statements examined and certified by an independent certified public accountant. Copies of the audited financial statements are furnished to each Investor within 120 days after the end of each fiscal year. Investors are urged to carefully review such audited financial statements and compare them to any account information provided by Barca Capital.

**Item 16 – Investment Discretion**

Barca Capital has discretionary authority to manage its Clients' portfolios, which includes broad discretion, without limitation, to determine the:

- securities to be bought or sold for Clients' accounts;
- amount of securities to be bought or sold for Clients' accounts;
- broker-dealer to be used for a purchase or sale of securities for Clients' accounts; and
- commission rates to be paid to a broker-dealer for Clients' securities transactions.

Pursuant to each Client's governing documents, Investors designate Barca Capital as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Client's business and affairs. An Investor's execution of a subscription agreement constitutes its execution of a Client's governing documents.

**Item 17 – Voting Client Securities**

Barca Capital exercises proxy voting authority on behalf of the Partnerships. We generally adhere to the proxy voting policy followed by a designated third-party proxy provider. The policies require Barca Capital to vote proxies received in a manner consistent with the best interests of the Clients. However, in certain cases where the designated third-party proxy provider does not provide proxy voting services for a security held in the portfolio, Barca Capital will make its best attempt to delegate its voting power to an independent individual or vote online, if available. However, in some emerging markets, this is nearly impossible and Barca Capital may not vote as a result.

The policies also require Barca Capital to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Clients. However, the policies permit Barca Capital to abstain from voting proxies in the event that a Client's economic interest in the matter being voted upon is limited relative to the Client's overall portfolio or if the impact of the Client's vote will not have an effect on its outcome or on the Client's economic interests.

Although many proxy proposals can be voted in accordance with Barca Capital's proxy voting guidelines, some proposals will require special consideration, and Barca Capital will make a decision on a case-by-case basis in these situations.

Where a proxy proposal raises a material conflict between Barca Capital's interests and the interests of the Clients, Barca Capital will seek to resolve the conflict.

Barca Capital will provide, upon request, a copy of those policies and procedures and/or information concerning its voting record on account proxy matters. Such a request may be made by calling Dianna Thompson at (415) 992-6334 or at [dthompson@barcacapital.com](mailto:dthompson@barcacapital.com).

**Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide investors with certain financial information or disclosures about Barca Capital's financial condition. Barca Capital has no financial commitment that is reasonably likely to impair its ability to meet contractual commitments to Clients.