

Armadillo
CAPITAL MANAGEMENT

Firm Brochure
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This brochure provides information about the qualifications and business practices of Armadillo Capital Management, LLC (“Armadillo” or the “Company”). If you have any questions about the contents of this brochure, please contact us at (646) 435-2774 and/or compliance@newfcap.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.

Additional information about Armadillo is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Any reference to Armadillo as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

Item 2: Material Changes

Since the last annual brochure update filed on April 2, 2021, information in Item 4 has been revised to reflect a change in Armadillo's ownership and clients.

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Item 4: Advisory Business

Armadillo is a Delaware Limited Liability Company located in Sao Paulo, Brazil. Armadillo's predecessor, Terra Vista, was formed in January 2013 and assigned all investment advisory rights to Armadillo in June 2017. Armadillo was jointly owned and controlled by Luis F. Adaime and Newfoundland Capital Management ("Newfoundland"), since December 2019, Luis F. Adaime has left the firm and no longer participates in making any decisions on behalf of the Company. Newfoundland is now the sole owner of Armadillo which is ultimately owned by Jonathan Rosenthal. As of April 1, 2021, Armadillo had \$ 1,502,695 in regulatory assets under management.

Newfoundland Armadillo Fund and Newfoundland Armadillo Offshore Fund (the "Funds") were liquidated in 2020 and all investors were paid in-kind their pro rated fair share of the securities held by the Funds (the "Securities"). Armadillo created a Special Purpose Vehicle (the "SPV") in order to hold and liquidate Securities on behalf of investors that opted to not receive the Securities in their own custody account. While Armadillo may discretionarily sell the Securities, fees and performance allocation were waived by Armadillo. Armadillo is currently liquidating the Securities of the SPV and provides discretionary investment management services for one separately managed account ("SMA" and, together with the SPV, "Clients").

Armadillo's investment objective is to outperform Latin American equity indices, primarily by investing in Latin American securities and picking stocks through the use of fundamental analysis. Armadillo expects that Clients' investments will generally be concentrated in companies with operations in Mexico, Argentina, Chile, Colombia, and Peru. The Company invests primarily in publicly-traded equity securities with a three to four-year investment horizon and may employ leverage in furtherance of its investment objectives. Armadillo manages Clients' assets in accordance with the terms of the applicable Funds' Private Offering Memorandum and Articles of Incorporation or Operating Agreement (collectively, the Fund "Governing Documents") or the SMAs' investment management agreements. With respect to the Funds, Armadillo provides investment advice directly to the Funds and not individually to the Funds' members or shareholders ("Investors"). Investment restrictions for the Funds, if any, are established in the applicable Funds' Governing Documents.

Item 5: Fees and Compensation

Armadillo provides investment advisory services to each Client pursuant to a separate written investment management agreement. Each agreement, along with specific organizational documents of the Funds, sets forth in detail the fee structure relevant to each Client. Armadillo receives compensation from fees based on a percentage of assets under management and profit allocations.

Separately Managed Accounts

For Armadillo's only current SMA Client, the annual investment management fee is based on the following schedule:

<u>Time Period</u>	<u>Annual Fee</u>
Engagement of Armadillo to three-year anniversary	0.00%

After three-year anniversary

0.50%

Fees are negotiable. Eligible SMA Clients may also negotiate fee structures that include performance incentive fees up to 20% and/or hurdle rates.

Armadillo charges management fees quarterly in arrears based on the account value at the end of the prior quarter. Clients may request that fees be deducted automatically from their brokerage accounts or receive quarterly invoices to be paid by check. If a Client terminates the investment management agreement with Armadillo in the middle of a billing period, Armadillo will invoice the Client for the pro-rated amount due based on the number of days that the account was managed.

Private Funds

Management fees for the SPV were permanently waived.

Performance allocation for the SPV was permanently waived.

Armadillo may waive or modify the performance allocation for Investors at its discretion, including for Investors that are members, employees, or affiliates of Armadillo, relatives of such persons, and for certain large or strategic Investors. Performance allocations received by Armadillo will be in compliance with Rule 205-3 under the Investment Advisers Act of 1940 (the “Advisers Act”).

Other Expenses

The SPV shall bear certain expenses, including, as applicable: (1) professional fees for administration, accounting, compliance, and legal services; (2) organizational and formation expenses; (3) investment expenses, such as commissions and research fees (including reasonable research-related travel);

(4) interest on margin accounts and borrowing charges on securities sold short; (5) custodial and bank service fees; (6) insurance and tax costs; and (7) any other expenses related to the purchase, sale, or transmittal of Fund assets.

The fees and expenses applicable to each Fund are set forth in detail in each of the Fund’s respective governing documents. Prospective Investors should review the Fund governing documents carefully prior to making an investment.

SMA Clients pay relevant investment expenses, such as commissions and research fees, interest on margin accounts, and custodial fees. SMA Clients should refer to their investment management agreement for information about all applicable fees and expenses.

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

As noted in the *Fees and Compensation* section above, Armadillo receives a fee that is based on a percentage of the realized and unrealized gains (i.e., the performance) of Client investments. Performance-based fees may create an incentive for Armadillo to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. Performance-based fees may create an incentive for the Company to favor accounts that pay a higher performance-based fee over other accounts that pay low or no performance-based fees. In addition, Armadillo may receive compensation with regard to unrealized appreciation as well as realized gains in the Client’s

account. As a result, the performance-based fee earned could be based on unrealized gains that Clients may never realize.

Armadillo and its affiliate, Newfoundland (see Item 10 below for more information), manage accounts that invest in similar companies. To address any potential conflicts, Armadillo has implemented policies and procedures to address the trading processes of the two firms and the allocation of Client trades. (Please refer to Item 12 below for more information.) Further, because management fees and performance fees are based directly on the net asset value of Clients' accounts, Armadillo has a conflict of interest in valuing such assets.

Armadillo recognizes the importance of appropriately valuing all Client assets and ensuring that investments are allocated to all Clients in a fair and equitable manner. With respect to any Fund, the Fund's assets are valued as set forth in the Fund's governing documents and/or the Company's valuation policy. In addition, Armadillo and Newfoundland have adopted written policies and procedures and internal controls to help ensure Client assets are appropriately valued and investment opportunities are allocated in a fair and equitable manner.

Item 7: Types of Clients

Armadillo provides investment advisory services to pooled investment vehicles and separately managed accounts. Investment advice is provided directly to the SPV and not individually to SPV Investors. Investors in the SPV may include, but are not limited to, high net worth individuals, family offices, funds of hedge funds, charitable organizations, pension plans, and corporate or business entities.

The SPV does not accept new investors and was created to accept only the investors opting to not receive the Securities in their own custody account. Each Investor in the Funds was required to meet certain suitability qualifications when admitted, such as being an "accredited investor" within the meaning set forth in Regulation D under the Securities Act of 1933, as amended. Complete details concerning applicable Investor eligibility criteria are set forth in the Fund's governing documents and subscription materials.

While there is no absolute minimum value of assets for starting or maintaining a separately managed account, Armadillo will use its discretion when accepting new separately managed account Clients.

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

Methods of Analysis and Investment Strategies, Generally

Armadillo's objective is to produce non-market correlated returns primarily by investing in Latin America. By adhering to an investment philosophy that focuses on capital preservation, Armadillo seeks to generate absolute returns with a low correlation to the performance of developed and emerging market indices. Investments are concentrated in Argentina, Mexico, Chile, Peru, and Colombia, although it may hold significant investments in securities outside of Latin America in order to arbitrage global market dislocations within certain sectors. While it may invest up to 20% of its assets under management in Brazil, it does not intend to do so. Armadillo seeks to invest at all levels of a security's capital structure, including, but not limited to, equity and equity-linked securities, bonds, and trade claims. The Company may utilize short selling and derivatives for hedging purposes and to generate investment returns.

To achieve its investment objectives, Armadillo follows a “bottom up” research process, which includes discussions with company management, customers, competitors, industry consultants, and securities analysts. Before investing in a company, Armadillo performs a rigorous analysis of the company’s potential profitability, cash flow generation, and balance sheet strength.

Armadillo uses its network of Latin American professionals in varying industries to identify and analyze market trends in order to develop long-term investment strategies and short-term trading ideas to reflect a macroeconomic framework developed by Armadillo’s investment professionals. Once an investment strategy or trade idea has been identified, fundamental and technical filters are employed to identify those companies that may provide the best returns. The Company also closely monitors market consensus to understand contrary or opposing investor views.

Investing in securities involves a risk of loss that Clients and Investors should be prepared to bear.

Risk of Loss

There are a number of risks associated with an investing in the Funds or in a SMA, including risks associated with a lack of diversification, investing in emerging markets, the use of leverage, investments in derivative instruments, illiquidity of investments, and the uncertainty of general market and economic conditions. Investing in the Funds’ strategy, either as a limited partner or an SMA which generally is a mirror of the Funds, carries substantial risks. Those risks include the ones listed below but there may be others. In ascertaining whether investing in Armadillo is suitable, a prospective investor should carefully consider the following risk factors, amongst others.

Risk factors specific to the investment objective and strategy

Investing in Emerging Markets

It is anticipated that a significant part of Clients’ portfolios will be comprised of securities of emerging markets countries. The following discussion sets forth some of the risks associated with investing in the securities of such markets:

General Economic and Market Conditions - The success of the Clients’ investment activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. Clients will be subject to the risk of loss arising from exposure that may be incurred, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on the Company’s business and Clients’ portfolios. These factors may affect the level and volatility of securities prices and the liquidity of the Clients’ assets. Volatility or illiquidity could impair the Clients’ profitability or result in losses.

The emerging markets countries’ economies may differ favorably or unfavorably from the U.S. or other developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Higher rates of inflation generally adversely affect the economies and financial markets of developing countries and the ability of their governments to create conditions that stimulate or maintain economic growth. In addition, governmental measures to curb inflation and speculation

about possible future governmental measures may contribute to the negative economic impact of inflation and may create general economic uncertainty. Future governmental economic measures, such as interest rate increases, intervention in foreign exchange markets and actions to adjust or fix currency values, may trigger or exacerbate increases in inflation, and consequently have an adverse impact on investment returns. Further, the emerging markets countries' economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which it trades.

There is the possibility of nationalization, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Fund, political changes, government regulation, social instability or diplomatic developments, any of which could affect adversely the emerging markets countries' economies or the value of the Clients' investments, or both.

Where Fund assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and by potentially adverse developments within those markets or sectors. In general, a less diversified portfolio bears more risk than a broadly diversified portfolio.

Volatility - Emerging markets are more likely than developed markets to experience periods of extreme volatility. Such volatility could result in substantial losses for the Fund.

Exchange Rate Fluctuations; Currency Considerations - Generally, the Fund expects to hold investments denominated in emerging markets countries' economies currency, whereas capital contributions to, and distributions from, the Fund are made in U.S. Dollars. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Clients' assets and the unrealized appreciation or depreciation of investments. Among the factors which may impact currency levels are trade balances and interest rates, as well as political developments. There is no policy within the Clients' investment strategy to protect against currency fluctuations.

Furthermore, the Fund may incur costs in connection with conversions between currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the SPV at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. It is anticipated that most of the Clients' currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or custodian acting for the Fund.

Risk of Errors and Omissions in Information - Companies of emerging markets countries are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries. Consequently, there is generally less publicly available information about such companies than about companies in developed countries. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets countries may not accurately reflect the statistics being reported.

Legal Risk - Many of the laws that govern private and foreign investment, securities transactions and other contractual relationships are new and largely untested. As a result, the Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other

market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations.

Furthermore, it may be difficult to obtain and enforce a judgment. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of the Fund may be subject to withholding taxes for which Investors may not receive a foreign tax credit.

Risks of Global Investing

The Fund may invest in various capital markets throughout the world. As a result, the Fund is subject to risks relating to the following:

- (i) currency exchange matters, including fluctuations in the rate of exchange between the base currency of the Fund and various other currencies in which its investments may be denominated, and costs associated with converting investment principal and income from one currency into another; and
- (ii) the possible imposition of withholding taxes on income received from the issuer of, or gains with respect to, those investments.

In addition, investing in some of these capital markets involves factors not typically associated with investing in established securities markets. These include risks relating to the following:

- (i) differences between markets, including potential price volatility in and relative illiquidity of some securities markets;
- (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less governmental supervision and regulation; and
- (iii) certain economic and political risks, including potential exchange control regulations or restrictions on investment and repatriation of capital.

Investment and Trading Risks

Overall Investment Risk

All investments in securities risk the loss of capital. There may be increased risk due to the nature of the securities to be purchased and traded by the Fund and the investment techniques and strategies used to try to increase profits. While Armadillo will devote its best efforts to the management of the Clients' portfolios, it cannot give an assurance that the SPV will not incur losses. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

Equity Securities

Equity investments are volatile and will increase or decrease in value based upon issuer, economic, market and other factors. Small capitalization stocks generally involve higher risks in some respects than do investments in stocks of larger companies and may be more volatile. The securities of non-U.S. issuers also involve a high degree of risk because of, among other factors, the lack of public information with respect to such issuers, less governmental regulation of stock exchanges and issuers of securities traded on such exchanges and the absence of uniform accounting, auditing and financial reporting standards. The non-U.S. domicile of such issuers and currency fluctuations may also be factors in the assessment of financial risk to the investor. Foreign securities markets are often less liquid than U.S. securities markets, which may make the disposition of non-U.S. securities more

difficult. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile.

Derivative Instruments

Armadillo may use various derivative instruments, including futures, options, forward contracts, swaps and other derivatives. These may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Price movements of options contracts and swap payments are influenced by, among other things, interest rates, demand for such products, trade and exchange control programs and other government policies, and national and international political and economic events. The value of options and swap agreements depends upon the price of the underlying securities, currencies or other assets. Clients are subject to the risk of the failure of any of the exchanges on which the Company trades or of their clearinghouses or of counterparties. Swaps and certain options and other custom instruments are subject to the risk of nonperformance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Market Risks and Liquidity

In large measure the profitability of a significant portion of the Clients' investment program depends on correctly assessing the future course of the price movements of securities and other investments. There is no assurance that the SPV will be able to accurately predict those price movements. Although the Fund may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some and occasionally a significant degree of market risk.

Furthermore, the SPV may be adversely affected by a decrease in market liquidity for instruments in which it invests, which may impair its ability to adjust its position. The size of the Clients' positions may magnify the effect of a decrease in market liquidity for those instruments. Changes in overall market leverage, de-leveraging as a consequence of a decision by a prime broker to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Clients' portfolios. Some of the underlying investments of the SPV may not be actively traded and there may be uncertainties involved in valuing those investments. Potential investors are warned that under those circumstances, the net asset value of the Fund may be adversely affected.

Hedging

Although the SPV may attempt to hedge its exposure to specific risks and positions, it will not always be possible to fully hedge risk. In addition, the Fund may take positions based on the expected future direction of the markets without fully hedging the market risks.

Borrowing

The SPV is permitted to finance its operations with secured and unsecured borrowing to the maximum extent allowable under applicable credit regulations. The SPV may suffer losses if there are adverse changes in the level of market prices of the assets being financed with the borrowings.

Discretion of the Investment Manager; Concentration of Investments

Armadillo manages the Clients' assets in accordance with the terms of the applicable SPV's Governing Documents or the SMA's investment advisory agreement. Nonetheless, Armadillo may, subject to the terms of the aforementioned documents, alter the Clients' portfolios in its sole discretion and without the approval of any Investor. Although, as a matter of general policy, Armadillo will try to spread the Clients' capital among a number of investments, it may depart from that policy from time to time and may hold a few relatively large securities positions in relation to the Clients' capital. A loss on a large security position following such concentration could materially reduce the Clients'

capital.

Cybersecurity

The operations of Armadillo and the SPV are dependent on technology information and communication systems. A failure of any such system or a security breach or cyber-attack could significantly disrupt Armadillo's operations and those of the SPV. The service providers of Armadillo and the SPV are subject to the same cyber-security threats as Armadillo and the Fund. If a service provider fails to adopt, implement or adhere to adequate cyber-security measures, or in the event of a breach of its networks, information relating to the SPV, the Clients' operations and personal information relating to clients and investors may be lost, damaged or corrupted or improperly accessed, used or disclosed.

Any system failure, security breach or cyber-attack on Armadillo or the SPV, Clients, or any of their service providers, could cause Armadillo and/or the SPV to suffer, among other things, financial loss, disruption to its business, including its trading capabilities and the ability of the SPV to transmit payments, including to Investors, increased operating costs, liability to third parties, regulatory intervention and reputational damage and could have a material adverse effect on the Clients', SPV' and shareholders' investments.

Item 9: Disciplinary Information

Neither Armadillo nor any of its officers, directors, employees, or other management persons has been involved in any legal or disciplinary events that would require disclosure in response to this item.

Item 10: Other Financial Industry Activities and Affiliations

Armadillo is owned by Newfoundland, an SEC-registered investment adviser. Newfoundland serves as the investment manager with respect to pooled investment vehicles and institutional separately managed accounts. Armadillo and Newfoundland share office space and employees. While Armadillo and Newfoundland have clients that have similar investment strategies, Armadillo has implemented policies and procedures to address trading processes and the allocation of trades, as further described in Item 12.

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

Code of Ethics and Personal Trading

Armadillo has adopted a written Code of Ethics ("Code") that, among other things, requires Armadillo and its employees use reasonable care and exercise independent professional judgment when making investment recommendations, abide by all applicable rules and regulations, report personal securities transactions, and act with integrity with dealing with Investors, service providers, and fellow employees. With certain exceptions, Armadillo generally restricts employees and their immediate family members living in the same household from engaging in personal securities transactions.

The Code also requires employees to report quarterly and annually their own and immediate family members' security holdings and transactions to Armadillo. In addition, each employee must pre-

clear any trades in initial public offerings and private placements, as well as certain securities transactions in accounts that are not managed by Armadillo.

A copy of Armadillo's Code is available upon request by contacting the Company's Chief Compliance Officer at +55 (11) 5180-3311.

Participation or Interest in Client Transactions

Armadillo and/or certain employees invest in the SPV. As a result, Armadillo and its related persons may be deemed to have an interest in an investment that is also recommended to Clients.

Item 12: Brokerage Practices

Selection of Brokers and Dealers

Armadillo has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

In selecting brokers to effect portfolio transactions for Client accounts, Armadillo considers such factors as the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the quality, comprehensiveness, and frequency of related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the Armadillo's selection criteria. Accordingly, if Armadillo determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, Clients may pay commissions to such broker in an amount greater than the amount another broker might charge for effecting the same transaction.

Soft Dollar Benefits

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits Armadillo to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Armadillo will limit the use of soft dollars to obtain research and brokerage services to those that constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) 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 within Section 28(e) 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 confirms, or trade affirmations.

Although Armadillo will make a good faith effort to ensure that the amount of commissions paid is reasonable in light of the products and services provided by brokers, commission rates are generally negotiable. Thus, selecting brokers on the basis of considerations other than applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of soft dollar products and services creates a potential conflict of interest between Armadillo and its Clients because Armadillo does not have to produce or pay for the research, products, and services being provided by brokers. This incentivizes Armadillo to select brokers based on research provided instead of the overall quality of the broker's execution. Generally, any products and services received from brokers are used to benefit all Clients, regardless of which Clients generated the soft dollar credits.

Trade Errors

In the course of managing Client accounts, trading errors may occur. Armadillo seeks to identify and correct any trade errors in an expeditious manner, including by cancelling, breaking, or reallocating a trade. To the extent an error is caused by a third party, such as a broker-dealer, Armadillo will strive to recover any losses associated with such error from such third party. Unless Armadillo determines that a trade error has occurred as a result of bad faith, gross negligence, willful misconduct or violation of applicable laws; it is Armadillo's policy that when a trading error occurs, the affected Clients will generally bear the costs resulting from any trade errors and keep any gains. In all cases, trade errors shall be handled in accordance with Client disclosure documents and/or Fund governing documents.

Investor Introductions

The broker-dealers that have entered into prime brokerage arrangements with Armadillo will occasionally provide Armadillo with introductions to potential Investors. Capital introduction is a service provided by primer brokers and is designed to "introduce" fund managers to potential Investors, typically through individual meetings or in a conference format. Although capital introductions are customarily offered as a free service, various conflicts of interest are presented by such arrangements. While Armadillo does not compensate these broker-dealers based on capital introductions, Armadillo may be incentivized to use the services of a specific prime broker due to the broker's ability to raise capital for the Company.

Trade Order Aggregation/Allocation

Armadillo manages accounts for SMA Clients that are generally similar to the approach Armadillo takes with respect to the SPV; and therefore, will typically aggregate orders for multiple Clients. There are no restrictions on the ability of Armadillo and its affiliates to manage accounts of Clients following the same or different investment objective, philosophy, and strategy as those used for the SPV. While Armadillo generally expects to manage Client accounts on a *pari passu* basis, the results of the SPV's activities may differ significantly from the results achieved by Armadillo for any other Clients for which it may manage or provide investment advisory services. Armadillo seeks to allocate orders and investment opportunities in a manner that it believes is in the best interests of all Clients. Although such allocations will generally be pro rata, they may not necessarily always be so. This may be the case where Armadillo's allocation policies (e.g., differing objectives or other considerations) or Client restrictions dictate a different result. In cases where a limited amount of a security is available for purchase, not every Client will receive a full allocation. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner. If conflicts arise in the allocation of investment opportunities, Armadillo will seek to resolve such

conflicts fairly. Armadillo's policy does not require that each opportunity be made available to all Clients, leaving significant discretion to the Company.

Armadillo and Newfoundland generally trade independently from one another. However, there are occasionally investment opportunities identified that have limited capacity and that are suitable for clients of both advisers. In such instances, both Armadillo and Newfoundland determine in advance the amount of the investment they would like to purchase on behalf of their respective clients. The order is then aggregated and any partial fills are allocated on a pro rata basis.

For new Clients, Armadillo expects that the new account will trade in a manner consistent with a Client account that is ramping up to participate in an investment strategy on a fully invested basis. Until a Client is fully invested, any trades among like strategy accounts will not be traded on a pro rata basis.

Item 13: Review of Accounts

All investments are carefully reviewed and approved by Armadillo's investment team. Clients' investments are reviewed on continuous basis, and the Company's investment personnel meet regularly to discuss allocations, investment ideas, economic developments, industry outlook, and other issues related to current portfolio holdings and potential investment opportunities.

Armadillo provides each Investor with the following reports in accordance with the terms of the Funds' governing documents: (1) quarterly unaudited investment reports, (2) annual audited financial statements, and (3) annual tax information necessary to complete any applicable tax returns.

SMA Clients receive statements from the Company in accordance with their investment management agreement.

Item 14: Client Referrals and Other Compensation

Armadillo does not receive any economic benefits from non-Clients in connection with the provision of investment advice to Clients. Armadillo also does not compensate any unaffiliated third parties for Client referrals. Lastly, Armadillo is not currently a party to any solicitation agreements and does not compensate any third party for Client and/or Investor referrals.

Item 15: Custody

Armadillo is deemed to have custody of the SPV's assets because of the authority it has over the assets. The SPV's financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the U.S. Public Company Accounting Oversight Board. Audited financial statements are distributed to each Investor within 120 days of each Funds' fiscal year end and are prepared in accordance with generally accepted accounting principles.

As required, all Client cash and securities are maintained in accounts at qualified custodians and are held in the name of the relevant Client. SMA Clients' custodians send statements directly to the account owners on at least a quarterly basis. SMA Clients are advised to carefully review these statements and compare them to any account information provided by Armadillo.

Item 16: Investment Discretion

Armadillo has discretionary authority to determine, without obtaining specific consent from the SPV Investors or Clients, the securities and the amounts to be bought or sold on behalf of Clients. Any limitations on such authority are included in each respective Client's investment management agreement or Fund governing documents.

Item 17: Voting Client Securities

Armadillo is responsible for voting proxies on behalf of two of its Client accounts. While Armadillo has no voting responsibility for one of the SMAs, the Company may suggest that such separately managed account vote in the same manner as the SPV. It is in the separately managed account's discretion to follow Armadillo's suggestion. Armadillo has developed a written policy and procedures designed to ensure that proxies are properly identified and voted, and that any conflicts of interest are addressed appropriately. In general, Armadillo votes proxies in the interest of maximizing shareholder value. Clients and/or Investors may not direct Armadillo how to vote with respect to any proxy.

Armadillo maintains a record of all proxy votes cast on behalf of Clients. A copy of Armadillo's proxy voting policies and procedures and proxy voting record is available to Clients and/or Investors upon written request.

Additionally, if class action documents are received by Armadillo on behalf of a Client, the Company generally will consider participating in, actively opting out of, or taking no action with respect to such class action lawsuit, as it determines to be in the Client's best interest and in accordance with any relevant Fund offering documents.

Item 18: Financial Information

Armadillo has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.