

## **Part 2A of Form ADV: Firm *Brochure***

### **LONSDALE INVESTMENT MANAGEMENT LLC**

**Lonsdale Investment Management LLC  
335 Madison Avenue, Suite 5B  
New York, NY 10017**

**March 2022**

**This Investment Adviser Brochure (this “*Brochure*”) provides information about the qualifications and business practices of Lonsdale Investment Management LLC (“Lonsdale”). If you have any questions about the contents of this Brochure, please contact us at (929) 499-9817. 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.**

Lonsdale is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser does not imply a certain level of skill or training.

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

**Item 2. Material Changes**

This is Lonsdale's initial registration and therefore has no material changes to report.

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#### Item 4. Advisory Business

Lonsdale Investment Management LLC, a Delaware limited liability company ("Lonsdale" or the "Adviser"), has established and manages an entity intended to operate as an in house proprietary financial product warehouse (the "Warehouse") in order to serially make, indirectly through special purpose vehicles formed by the Warehouse (the "Lonsdale SPVs"), ongoing capital commitments to (or otherwise obtain a right of first refusal on or acquire an investment in) underlying private equity, venture capital, real estate and other private investment programs and/or funds (the "Underlying Funds"), with the intent to subsequently syndicate interests in the Lonsdale SPVs to certain qualified investors represented by financial intermediaries, including investment advisers and/or brokers, that act as participants (the "Platform Participants") on the private markets platform sponsored and managed by Lonsdale Investment Technology (the "Lonsdale Platform"), as well as certain other bona fide third-party investors (collectively, the "Investors"). The Adviser was formed in 2021, and is wholly owned by its parent entity, Lonsdale Investment Technology, Inc. ("LIT").

The Adviser's primary advisory services involve identifying fund managers (the "Underlying Managers") in various alternative investment strategies offering investment capacity in their respective Underlying Funds; negotiating the terms of such investment capacity with the Underlying Managers; forming the Lonsdale SPVs and managing, directly or indirectly through an affiliated managing member or general partner entity (the "Lonsdale GPs"), the Warehouse's indirect investment in the Underlying Funds through the Lonsdale SPVs; sponsoring the syndication of interests in the Lonsdale SPVs through the Platform Participants; and managing, directly or indirectly through the Lonsdale GPs, the Lonsdale SPVs and their investments in the Underlying Funds.

While Lonsdale expects to form each Lonsdale SPV for the purpose of subsequently syndicating interests therein as described above, such that third-party Investors collectively assume and fund the Warehouse's entire capital commitment to the Lonsdale SPV (and, indirectly, the SPV's entire capital commitment to the applicable Underlying Fund), in the event that Investors do not so assume all or any portion of the Warehouse's capital commitment to a Lonsdale SPV, the Warehouse generally intends to retain ownership of the un-syndicated interest, if any, in the Lonsdale SPV and remain obligated to fund its remaining corresponding capital commitment thereto, *pari passu* with the Investors in the Lonsdale SPV. Likewise, if an Investor assumes all or any portion of the Warehouse's capital commitment to a Lonsdale SPV, it is generally expected that the Warehouse will no longer be obligated to fund, and will be released from, such assumed portion of its initial capital commitment to the Lonsdale SPV.

The Adviser's investment advice will be provided directly to the Lonsdale SPVs, subject to the discretion and control of the applicable Lonsdale GPs, and not individually to the investors in the Lonsdale SPVs. Generally speaking, each of the Lonsdale SPVs is expected to be exempt from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and, currently, the Lonsdale SPVs' securities are not expected to be registered under the Securities Act of 1933, as amended (the "Securities Act"). Each Lonsdale SPV will be

managed in accordance with its respective offering disclosures as detailed in a confidential private placement memorandum (the “PPM”) and constituent documents.

Each Lonsdale SPV will be managed by Lonsdale only in accordance with its own investment objectives and restrictions and will not be tailored to any particular Investor in the Lonsdale SPV. Because Lonsdale does not provide individualized advice to Investors, Investors should consider whether a particular Lonsdale SPV meets such Investor’s investment objectives and risk tolerance prior to investing therein. Prospective Investors should carefully review the applicable PPM and constituent documents of any Lonsdale SPV prior to making any investment therein.

Currently, Peter Galloway is Lonsdale’s Chief Compliance Officer (“CCO”).

## **Item 5. Fees and Compensation**

In general, Lonsdale (or the applicable Lonsdale GP) will receive payment from each Lonsdale SPV of a management fee and, potentially, distributions of carried interest, if contemplated under the Lonsdale SPV's constituent documents.

### ***Management Fees of Lonsdale SPVs***

Typically, each Lonsdale SPV is expected to bear a management fee, calculated and payable quarterly in advance pursuant to the applicable investment management agreement, equal to the aggregate management fee assessed with respect to its Investors (excluding the Warehouse) under the Lonsdale SPV's constituent documents and as described in its PPM. The management fee rate chargeable to each Lonsdale SPV is typically expected to range up to 0.75% per annum and be charged, during the investment period of the Underlying Fund, based on each Investor's capital commitment to the Lonsdale SPV, and thereafter, based on such Investor's indirect share of the investments in the Underlying Fund still held by the Lonsdale SPV, plus reserves to answer capital calls by the Underlying Fund. Notwithstanding the foregoing, Lonsdale, in its sole and absolute discretion, may elect to waive, otherwise reduce or calculate differently the management fee attributable to any Investor and may share all or any portion of the management fee with any affiliate or third-party.

### ***Carried Interest of Lonsdale SPVs***

With respect to certain Lonsdale SPVs, Lonsdale or its affiliates may be entitled to receive a carried interest, which may be subject to a preferred return and catchup. The carried interest distributable with respect to a Lonsdale SPV, if any, will be as described in its PPM and set forth in its constituent documents.

Carried interest compensation may create an incentive for Lonsdale and the related Lonsdale GP to make decisions regarding a Lonsdale SPV's investment in an Underlying Fund differently than if such compensation were not received.

### ***Management Fees and Carried Interest of Underlying Managers***

In addition to bearing a management fee and carried interest at the level of the Lonsdale SPV as described above, each Lonsdale SPV, as an investor in the applicable Underlying Fund, is generally expected to be subject to its share of the fees, costs and expenses (including any applicable management fees and carried interest) charged by the Underlying Fund to its investors, as described in its confidential private placement memorandum or other offering documents (collectively, the "Underlying Fund PPM").

The fees and expenses of the Underlying Fund are expected to include an annual asset based management fee, calculated at a rate of between 1% - 2%, and a carried interest entitlement ranging from 10% - 20% of the profit distributions of the Underlying Fund, in each case payable to the applicable Underlying Manager or its affiliates. In respect of the Underlying Funds that

are private equity or real estate funds, their constituent documents are also expected to include preferred return and catch-up distribution provisions. In addition, each Lonsdale SPV will indirectly bear its pro-rata share of all organizational and operational expenses payable by investors in the applicable Underlying Fund.

Moreover, certain Underlying Funds may offset the amount of management fees payable by its investors (including a Lonsdale SPV invested therein) by all or a portion of the amount of certain transaction fees, break-up fees, commitment fees, underwriting fees, monitoring fees, consulting fees, directors' fees, advisory fees, closing fees and other similar fees received and retained by the applicable Underlying Manager (or its affiliates) in respect of such Underlying Fund and its portfolio investments. Investors should refer to the applicable Underlying Fund PPM for disclosure regarding the fees and expenses to which a Lonsdale SPV, as an investor therein, would be subject in connection with its investment in the Underlying Fund.

For the avoidance of doubt, each Lonsdale SPV's share of the organizational and operating expenses (including the management fees and carried interest) of the applicable Underlying Fund will be in addition to, and will not reduce, the organizational and operating expenses (including the management fees and carried interest) of the Lonsdale SPV.

#### ***Organizational and Operating Expenses of Lonsdale SPVs***

Each Lonsdale SPV generally is expected to bear all of its organizational and offering expenses (including costs and expenses related to travel, printing, legal, capital-raising, accounting, regulatory compliance, and any administrative or other filings) incurred in connection with the Warehouse's organization, funding and establishment of the Lonsdale SPV, and Lonsdale's subsequent syndication of interests in the Lonsdale SPV.

In addition, while the Adviser, the Warehouse or their respective affiliates are expected to initially incur and assume responsibility for the fees and expenses associated with the due diligence of, selection, and negotiations with the applicable Underlying Fund regarding the Lonsdale SPV's investment therein, and any other transaction costs associated with its capital commitment thereto (including any associated financing charges or payments to any third-parties, such as investment consultants, due diligence firms, placement agents, or other financial advisors, for their services to the Warehouse, including overhead expenses, facilities expenses, taxes, and compensation of their employees), such fees and expenses are expected to be reimbursable to the Adviser, the Warehouse or such affiliate and treated as organizational expenses of the Lonsdale SPV. Accordingly, any Investors admitted to the Lonsdale SPV are expected to bear their shares of such fees and expenses in accordance with the Lonsdale SPV's constituent documents and as described in its PPM.

Lonsdale will pay all overhead expenses, including its employees' salaries, rent, utilities, etc.

#### ***Organizational and Operating Expenses of Underlying Funds***

Each Underlying Fund is generally expected to bear its organizational and offering expenses, as described in its Underlying Fund PPM. Correspondingly, as an investor in the applicable Underlying Funds, each Lonsdale SPV generally is expected to bear its ratable share of such fees and expenses, including any management fees, carried interest and other fees and expenses charged by the Underlying Fund to its investors, as described in the applicable Underlying Fund PPM.

Thus, in addition to bearing their share of the organizational and operating expenses of the Lonsdale SPVs, Investors will indirectly also bear their shares of the organizational and operating expenses of the applicable Underlying Funds, resulting in a layering of fees and expenses. Consequently, while it is anticipated that the Lonsdale SPVs will invest substantially all of their investable capital in the Underlying Funds, a Lonsdale SPV's performance will not be identical to the returns achieved by the applicable Underlying Fund. Rather, the costs and expenses applicable to an investment in the Lonsdale SPV itself (including the management fees and any carried interest) will necessarily cause the Lonsdale SPV to underperform the applicable Underlying Fund. In addition, a variety of other factors may cause deviations between the performance of the Lonsdale SPV and the applicable Underlying Fund, including, but not limited to, the size of the Lonsdale SPV's cash reserve that is not invested in the Underlying Fund.

Prospective Investors should carefully review the Underlying Fund PPM of the applicable Underlying Fund to understand its organizational and operating expenses.



## **Item 6. Performance-Based Fees and Side-by-Side Management**

As described in Item 5, Lonsdale is expected to be entitled to receive carried interest from certain Lonsdale SPVs, which will be borne indirectly by their respective Investors. Performance-based compensation such as carried interest may create an incentive for Lonsdale and the related Lonsdale GP to make decisions regarding a Lonsdale SPV's investment in an Underlying Fund differently than if such compensation were not received. In addition, each Lonsdale SPV, as an investor in the applicable Underlying Fund, is expected to bear its pro rata share of management fees, carried interest or other fees, costs and expenses charged by an Underlying Fund to its investors. Prospective Investors should carefully review the applicable Lonsdale SPV's PPM and the applicable Underlying Fund PPM for further details and methods of calculating the fees, costs and expenses (including carried interest) chargeable in relation to such Lonsdale SPV and Underlying Fund, respectively.

## Item 7. Types of Clients

Lonsdale provides investment advisory services to the Warehouse and the Lonsdale SPVs and may in the future provide advice to other funds or advisory clients. Each of the Lonsdale SPVs is expected to be exempt from registration under the Investment Company Act, and its securities are not expected to be registered under the Securities Act.

Interests will only be offered to a limited number of financially experienced and sophisticated eligible investors who are able to bear the risk of an investment in a Lonsdale SPV and who meet the requirements set forth in its PPM. Interests in a Lonsdale SPV generally may only be purchased by investors who are: (i) “accredited investors” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act, (ii) “qualified clients” as defined in Rule 205-3 of the Advisers Act, and (iii) “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act, and, in each case, who meet any additional eligibility and/or suitability requirements set forth in the subscription agreement of the Warehouse (as amended, supplemented or otherwise modified from time to time, the “Subscription Agreement”). Complete definitions of “accredited investor” and “qualified clients,” and “qualified purchasers” are set forth in the Subscription Agreement.

Investors in the Lonsdale SPVs are expected to include high net worth individuals, family offices, estate planning vehicles, as well as certain financial institutions (e.g., corporations, endowments, foundations, etc.) which satisfy the investor qualification requirements of the applicable Lonsdale SPV.

Lonsdale may enter into side letter or similar agreements from time to time with one or more Investors in a Lonsdale SPV which provide such Investors with additional or different rights (including, without limitation, preferential rights regarding management fee calculation or payability, withdrawals, enhanced information or reporting, access to co-investments, minimum capital commitment amounts, etc.). Lonsdale will not be required to notify or obtain the consent of any other Investors in any Lonsdale SPV regarding such side letters or other agreements, nor will Lonsdale be required to offer any such additional or different rights to any such other Investors.

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

### ***General***

The investment objective of the Warehouse is to serially make, indirectly through Lonsdale SPVs, ongoing capital commitments to (or otherwise obtain a right of first refusal on or acquire an investment in) Underlying Funds, with the intent to subsequently syndicate interests in the Lonsdale SPVs to certain qualified Investors represented by Platform Participants on the Lonsdale Platform. As such, the primary purpose of a Lonsdale SPV is to provide Investors with the opportunity to gain indirect investment exposure to the applicable Underlying Fund. Accordingly, it is anticipated that all of the investment performance of a given Lonsdale SPV will be attributable to the portfolio performance of the applicable Underlying Fund.

### ***Diligence of and Engagement with Underlying Managers***

Lonsdale engages in a multi-faceted research and due diligence process customized for each industry and manager on its platform. In addition to leveraging the skills and experience of its internal team, Lonsdale may use a wide variety of third-party data and research providers specializing in alternative investments and private markets.

In general, Lonsdale begins with a top down view on certain sectors and then uses its network and resources to identify managers who it believes can best execute on target investment strategies. From these sourcing mechanisms, Lonsdale screens managers on a variety of criteria, including quality of team, performance, length of track record, operational infrastructure and ability to execute on their strategy going forward. The Lonsdale team holds regular meetings to review and screen managers in its pipeline and determine whether to perform a full due diligence review. After meeting with multiple top investment managers, Lonsdale will identify high-priority investments for the platform.

If a manager passes the initial screening process, the Lonsdale investment team will conduct detailed investment and operational due diligence on the manager and strategy including, but not limited to a detailed review of prior performance, team, terms, fees, and operational capabilities. Additionally, Lonsdale may engage with external due diligence providers to supplement its internal process. After conducting a thorough review of investment opportunities, Lonsdale will memorialize key findings in an investment committee memorandum for discussion with its internal investment committee.

The investment committee meets on a regular basis to discuss and review investments prior to finalizing an investment decision. The Lonsdale investment committee must unanimously approve any investment decision.

### ***Certain Risks of Investment***

Potential Investors should carefully consider the risks of an investment in a Lonsdale SPV prior to any investment therein, including the risks outlined below and in the applicable PPM, as well as the risks outlined in the applicable Underlying Fund PPM.

An investment in any Lonsdale SPV is speculative and involves a high degree of risk and should not be considered a complete investment program. Investors should be aware that an investment in a Lonsdale SPV is illiquid and is suitable only for investors who can afford to lose the entire amount of their investment.

*Potential Loss of Capital.* Investors may lose all, or substantially all, of their investment in any Lonsdale SPV. Investments in a Lonsdale SPV are exposed to a substantial risk of the loss of capital.

*Business Risks.* Each Lonsdale SPV's investment portfolio is generally expected to consist of an investment in a single, or at most several, Underlying Funds, which in turn are each expected to invest in only a few privately held companies. Operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Illiquidity; Lack of Current Distributions.* An investment in a Lonsdale SPV is an illiquid and long term investment. It is uncertain as to when profits, if any, will be realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment.

*Leveraged Investments.* A Lonsdale SPV may incur or guarantee indebtedness and provide other credit support, including for the purposes of guaranteeing obligations, to make contributions to the applicable Underlying Fund, or otherwise in connection with the Lonsdale SPV's investment activities, or providing interim financing to the extent necessary to consummate the purchase of investments prior to the completion of the permanent debt financing therefor.

A Lonsdale SPV may enter into one or more credit facilities to provide the Lonsdale SPV with additional capital. Such credit facility or credit facilities are expected to be secured by the assets of the Lonsdale SPV, and Lonsdale or the applicable Lonsdale GP may make a collateral assignment to any lender or other credit party of the Lonsdale SPV of the rights, titles, interests, remedies, powers, privileges of the Lonsdale SPV and/or the Lonsdale GP with respect to the capital commitments and capital contributions of its Investors. It is anticipated that proceeds from any investment may be used to repay or satisfy amounts outstanding under any such borrowings (whether or not related to such investment).

*Limited Transferability of Fund Interests.* There will be no public market for a Lonsdale SPV's interests, and none is expected to develop. There are substantial restrictions upon the transferability of any Lonsdale SPV's interests under its constituent documents and applicable securities laws. In general, withdrawals of Lonsdale SPV interests generally are not permitted. In addition, Lonsdale SPV interests generally are not redeemable.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for investments made by a Lonsdale SPV, and hence, it is anticipated that the investments of a Lonsdale SPV will be difficult to value. Certain investments may be distributed in kind by a Lonsdale SPV to its Investors, and it may be difficult to liquidate the securities received at a price or within a period acceptable to such Investors. After a distribution of securities is made to such Investors, certain Investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Investors may be lower than the value of such securities determined pursuant to the constituent documents of the applicable Lonsdale SPV, including the value used to determine the amount of any carried interest available to Lonsdale with respect to such investment.

*Projections.* Projected results of an Underlying Fund in which a Lonsdale SPV invests are typically expected to be based on, among other things, internal financial projections prepared by the applicable Underlying Manager. In all cases, projections are only an estimate of future results that are based upon information received from third parties as of a certain date and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Conflicting Investor Interests.* A Lonsdale SPV's Investors may have conflicting investment, tax, and other interests with respect to their investments in the Lonsdale SPV. Conflicts may arise in connection with decisions made by Lonsdale regarding an investment that may be more beneficial to certain Investors than others, especially with respect to tax matters. In structuring, acquiring and disposing of investments by Lonsdale SPVs in Underlying Funds, Lonsdale generally will consider the investment and tax objectives of the applicable Lonsdale SPV, not the investment, tax, or other objectives of any Investor individually.

### ***Certain Conflicts of Interest***

Potential Investors should carefully consider the conflicts of interests associated with a Lonsdale SPV prior to any investment therein, including the conflicts of interest outlined below, as well as the conflicts of interest described in the applicable Underlying Fund PPM.

The risks and conflicts of interest described in the Underlying Fund PPMs with respect to the Underlying Funds and an investment therein apply generally to the Lonsdale SPVs and the interests therein. Moreover, without limiting the application or generality of the foregoing, each Lonsdale SPV generally will be a newly formed entity (i) that will not be registered under

the Investment Company Act, (ii) that will issue illiquid securities that are not registered under the Securities Act or any other laws, (iii) that will not register under the Exchange Act of 1934, as amended, (iv) the interests of which will be subject to restrictions on transfer and will have no public market, (v) which are not anticipated to be permitted to make full or partial withdrawals from the Underlying Funds pursuant to the terms of the Underlying Funds' constituent documents (except in very limited circumstances) and (vi) with respect to which, investors may lose the entire amount of their investment. The investment returns of the Lonsdale SPVs will depend almost entirely on the performance of the Underlying Funds and there can be no assurance that the Underlying Funds will be able to achieve their respective investment objectives or avoid substantial or complete losses.

While each Lonsdale SPV will be an investor in the applicable Underlying Fund, the Investors in the Lonsdale SPV will not themselves be equity holders of the Underlying Fund and will have no standing to enforce any rights directly against the Underlying Fund or its Underlying Managers or assert claims directly against the Underlying Fund or the Underlying Managers or any of their respective affiliates. An Investor in a Lonsdale SPV will have only those rights provided for in its constituent documents. Neither Lonsdale nor the applicable Lonsdale GP has any control or management authority over the applicable Underlying Fund or its Underlying Managers. Conversely, none of the Underlying Funds or Underlying Managers have any control or management authorities over Lonsdale, the Lonsdale SPVs or the Lonsdale GPs.

Moreover, the terms of the constituent documents of the Underlying Funds are subject to change without the control or consent of Lonsdale, the Lonsdale GPs or the Lonsdale SPVs. In certain cases, the Underlying Manager of an Underlying Fund will have the right to make amendments to the Underlying Fund's constituent documents without obtaining the consent of the investors therein (including any Lonsdale SPV). Further, no assurance can be given that a required majority in interest of the investors of an Underlying Fund (possibly excluding any Lonsdale SPV) will not further amend the constituent documents of such Underlying Fund in a manner prejudicial to the interests of any Lonsdale SPV invested therein.

In facilitating indirect investment in an Underlying Fund by causing the Warehouse to form and make a capital commitment to the applicable Lonsdale SP, and then syndicating interests in the Lonsdale SPV to Investors, neither Lonsdale nor any Lonsdale GP nor any of their respective affiliates is providing investment advice or making any recommendation as to the advisability of an investment in the Underlying Funds. Further, none of Lonsdale, the Lonsdale GPs, or any of their respective affiliates or personnel are required to devote all or any specified portion of their time to managing a Lonsdale SPV's affairs, or from engaging in any other business activities, whether or not competitive with a Lonsdale SPV.

Each prospective Investor in a Lonsdale SPV should carefully review its PPM and constituent documents, as well as the applicable Underlying Fund PPM, and consult with such Investor's own counsel and advisors as to all legal, tax, financial and related matters concerning a potential investment in the Lonsdale SPV.

**Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

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

The Adviser and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.



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

The Firm has adopted the Lonsdale Code of Ethics (the “Code”), which set forth standards of conduct that are expected of employees and address conflicts that arise from personal trading. The Code requires certain Firm personnel to report their personal securities transactions, prohibits or requires pre-clearance, which is good for the current business day, for Firm personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Firm personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Firm’s Chief Compliance Officer (the “CCO”). In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

Lonsdale and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, Lonsdale and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Lonsdale.

Accordingly, should Lonsdale or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, Lonsdale generally would be prohibited from communicating such information to clients, and Lonsdale will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Firm personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Lonsdale SPV.

Employees of Lonsdale and its affiliates may directly or indirectly own an interest in one or more Lonsdale SPVs, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Lonsdale SPV. Co-invest opportunities may also be presented to certain affiliates of the Adviser, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles or directly in a particular portfolio company.

Lonsdale and its affiliates, Founders and Employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Lonsdale SPV, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Lonsdale SPV, even though their investment objectives may be the same or similar.

## **Item 12. Brokerage Practices**

With respect to the investment activities of Lonsdale SPVs, Lonsdale generally does not anticipate making investments in securities listed on national exchanges. However, in the limited situation where a Lonsdale SPV is allocated a listed security and needs to place trade(s) through a broker, Lonsdale will seek “best execution” in light of the circumstances involved in the transaction. In selecting a broker for any such transaction, Lonsdale expects to consider a variety of factors, including, without limitation, a broker’s market reputation, financial strength and stability, efficiency of execution and error resolution, net price or spread, market access, and the size of the transaction. In seeking to achieve best execution, Lonsdale will not be obligated to obtain the lowest commission or best net price for a Lonsdale SPV in respect of any particular transaction.

### **Item 13. Review of Accounts**

The investments made by the Lonsdale SPVs are anticipated to be private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Lonsdale monitors the performance of Underlying Funds in which the Lonsdale SPVs invest, and the Firm's CCO periodically checks to confirm that each Lonsdale SPV is maintained in accordance with its stated objectives.

It is generally expected that the Underlying Funds will deliver to their investors quarterly unaudited financial statements or reports detailing account information and performance for that period, as well as annual audited financial statements. Likewise, it is anticipated that each Lonsdale SPV will deliver statements detailing account information and performance after each calendar quarter (or as soon as practicable thereafter) and audited financial statements within 180 days after the end of each fiscal year (or as soon as practicable thereafter), in each case subject to the receipt of the necessary underlying reporting from the applicable Underlying Fund. Each Lonsdale SPV is also expected to provide to its Investors annual tax information necessary for each Investor's tax return.

Consequently, it is anticipated that Schedule K-1s (or equivalent reports) in respect of a Lonsdale SPV will not be available prior to April 15 (and may be available significantly later than April 15) for each year and that it is likely that each Investor will need to obtain extensions for the filing of any applicable tax returns at the federal, state, and local (and, if applicable, non-U.S.) levels.

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

From time to time, Lonsdale or its affiliate may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential Investor becoming an Investor in a Lonsdale SPV. In the event Lonsdale utilizes any such solicitation arrangements, any fees payable to any such placement agents will be borne by Lonsdale or its affiliates directly or indirectly through an offset against the management fee otherwise payable by the applicable Lonsdale SPV (although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are expected to be borne by the relevant Lonsdale SPV).

## **Item 15. Custody**

Under “custody rule” of the Advisers Act, investment advisers with “custody” of client funds and securities must maintain them with “qualified custodians,” unless such advisers have custody of only certain privately offered securities. The term “qualified custodians” under the amended rule include certain banks and savings associations and registered broker-dealers.

With respect to investment advisers to a fund-of-funds, which most of the Lonsdale SPVs will qualify as, compliance with the custody rule may be satisfied under so-called “audit exception” to the custody rule by: (i) having each Lonsdale SPV audited at least annually by an independent registered public accounting firm which is registered with the public company accounting oversight board; and (ii) distributing audited financial statements prepared in accordance with GAAP to all its Investors within 180 days of the end of its fiscal year. Accordingly, Lonsdale expects that, with respect to each Lonsdale SPV that qualifies as a fund-of-funds under the custody rule, Lonsdale or the applicable Lonsdale GP will generally distribute the audited financial statements of such Lonsdale SPV within 180 days of the end of the fiscal year to its Investors.

**Item 16. Investment Discretion**

Lonsdale and the Lonsdale GPs generally have discretionary authority to make investment decisions for the Lonsdale SPVs; provided that such authority is limited by Lonsdale's internal policies and procedures and each Lonsdale SPV's specific investment guidelines, if any, and other terms and conditions described in the applicable PPM and constituent documents.

**Item 17. Voting Client Securities**

Lonsdale does not anticipate that the Warehouse or the Lonsdale SPVs will own any equity securities granting Lonsdale or the Lonsdale GPs the right to vote proxies. Investors in any Lonsdale SPV will not be equity holders of the applicable Underlying Fund and will have no voting rights with respect to the Underlying Fund. To the extent Lonsdale or any Lonsdale GP has the right to exercise any voting rights on behalf of any Lonsdale SPV under the applicable Underlying Fund's constituent documents, Lonsdale intends to vote in the best interest of the Lonsdale SPV or may, in its sole and absolute discretion, request that the Investors therein vote on whatever matters the Underlying Fund has requested that its investors vote on.

**Item 18. Financial Information**

Lonsdale 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 commitments to the Lonsdale SPVs and has not been the subject of a bankruptcy proceeding.