

Item 1. Cover Page

# **NCH Capital Inc.**

**As Relying Adviser to:**

**NCH Management (Brazil) LLC  
NCH Brasil Gestora De Recursos LTDA**

**452 Fifth Avenue, 24<sup>th</sup> Floor  
New York, NY 10018  
Tel: (212) 641-3200**

**March 31, 2023**

**This Brochure provides information about the qualification and business practices of NCH Capital Inc. (“NCH”). If you have any questions about the contents of this Brochure, please contact us at (212) 641-3200 or [compliance@nchcapital.com](mailto:compliance@nchcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

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

**Please note that registration with the SEC does not imply a certain level of skill, training or ability with respect to the provision of investment advisory services.**

## **Item 2. Material Changes**

There are no material changes.

**NCH's Brochure may be requested by contacting NCH's Compliance Department at [compliance@nchcapital.com](mailto:compliance@nchcapital.com).**

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## Item 4. Advisory Business

NCH Capital Inc. (“NCH” or the “Adviser”) is an investment management firm with its principal place of business in New York, New York. The Adviser commenced its business in 1993. The owners and co-founders of the Adviser are George Rohr and Moris Tabacinic (the “Principals”).

NCH registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) in November 2011. The Adviser also meets the requirements to be considered a Qualified Professional Asset Manager (“QPAM”) under applicable regulations. Certain NCH Funds may at times constitute plan assets under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

NCH generally provides investment management services directly and through affiliated management entities with respect to one or more clients for operational and other purposes (each such affiliated management entity, a “Relying Adviser” and collectively each is included within the term NCH, except as the context otherwise requires). NCH controls, or is under common control with, each Relying Adviser. Unless specifically noted otherwise, the response to the Form ADV Part 2A combines information about NCH and the Relying Advisers.

The Adviser had \$2,448,059,596 in regulatory assets under management as of December 31, 2022. These assets are managed on a discretionary basis. The value of these assets is significantly impacted by the invasion of Ukraine by Russia in February 2022 and by the disruption of the markets for Russia-related securities.

The Adviser provides investment supervisory and management services on a discretionary basis to clients that are pooled investment funds (“Fund(s)” or “NCH Fund(s)”) intended for institutional and other sophisticated investors (“Limited Partners”). The Adviser provides discretionary investment advisory services to separately managed accounts (each a “SMA” and together with the Funds, the “Clients” or “NCH Clients”).

In 2010, NCH established its Brazil-based equity investments operations in Rio de Janeiro, Brazil. After two years of incubation with the private capital of the Principals and their affiliates, in 2012 the Brazil-based activities were opened on a limited basis to outside capital.

The Brazil-based activities of NCH are the following:

**Brazil**

NCH Brasil Gestora De Recursos LTDA also manages Brazilian mutual funds that are available to Brazilian investors.

NCH intends to launch additional funds that invest in asset-backed and other Brazilian financial instruments.

NCH Brazil entered into a co-management agreement with BTG Pactual Asset Management covering two new quantitative funds and one existing fund. NCH's principal role as co-manager is in providing quantitative-based stock selection and portfolio allocation decisions using its proprietary technologies.

**Separately Managed Accounts**

From time-to-time, NCH manages separately managed accounts that may invest in one or more of the strategies described above or in other strategies.

In providing its services to the Clients, the Adviser directs and manages the investment and reinvestment of assets, and provides reports to investors. The Adviser manages the assets of each Fund in accordance with the terms of the governing documents applicable to such Fund. Similarly, the Adviser's investment decisions and advice with respect to each Managed Account is subject to the client's investment objectives and guidelines, as set forth in the client's investment management agreement, as well as any written instructions provided by the client to the Adviser.

## Item 5. Fees and Compensation

The fees applicable to each Fund are set forth in detail in each Fund's offering documents. The fees applicable to SMAs are set forth in detail in each SMA's investment management agreement.

### A. Separately Managed Accounts

All fees for SMAs are subject to negotiation and established pursuant to each SMA's investment management agreement. Certain SMAs may be charged no or differently calculated management fees and may be more favorable than the fees in place for a comparable Fund or comparable SMA.

Managed Account clients may bear expenses charged to their Managed Account, as more fully described in the investment management agreement establishing each Managed Account. Those expenses will vary and may include, but will not be limited to, many of the expenses related to data systems.

## **Item 6. Performance-based Fees and Side-By-Side Management**

### **Performance-Based Fees**

SMA's may be subject to an Incentive Fee, as set forth in each SMA's investment management agreement. SMA's may also be subject to indirect performance fees through co-investments by affiliates of the Adviser, where the co-investment receives an allocation of gains and losses.

Performance or incentive fees may create an incentive to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying Clients over other accounts in the allocation of investment opportunities. The Adviser has designed and implemented procedures to ensure that all clients are treated fairly and equitably.

### **Side-by-Side Management**

The Adviser provides investment management services to various Clients with different investment objectives, guidelines and policies, and with different fee structures.

The Adviser may receive both management fees and incentive fees as compensation for its services. Incentive fees may create an incentive for the Adviser or related person to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee. In these instances, the compensation of the Adviser or related person may be greater than it would have been, as the fee will be based on the Clients' performance instead of, or in addition to, a percentage of assets under management. The Adviser has mitigated possible conflicts arising from differing Client fee structures by following an investment allocation policy. All Clients, regardless of fee structure, are allocated investment opportunities on a fair and equitable basis, subject to the fiduciary and contractual duties of the Adviser to such Clients.

## **Item 7. Types of Clients**

The Adviser provides investment supervisory and management services on a discretionary basis to Funds and SMAs. Investors in a Fund and the beneficial owners of the SMAs are generally institutional and other sophisticated investors, such as university endowments, corporate and government pension funds, fund of funds, family offices and high net worth individuals. As a general policy, Funds are offered privately only to “qualified purchasers” as defined in the Investment Company Act of 1940, as amended (“Investment Company Act”). All investors in a Fund must also be “accredited investors” as defined in the rules promulgated under the Securities Act of 1933, as amended.

Termination provisions for SMAs are subject to negotiation.

The investors in SMAs generally receive more information and have more favorable liquidation rights than investors in a Fund.



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

### **INVESTMENT STRATEGIES**

#### **A. Separately Managed Accounts**

SMA's utilize proprietary financial models; allowing greater customization for the client. SMA's may have a flexible strategy investing in a broad universe of publicly traded securities, and using the same proprietary financial models as certain NCH Funds. Individual account holdings and performance may vary based on many factors which include, but are not limited to, suitability for unique risk objectives and client preferences.

### **RISK FACTORS**

As with any investment, there is no guarantee that the Clients will achieve their investment objective and investments involve a risk of loss that Clients should be prepared to bear. The value of a Client's investment may be affected by one or more of the following risks:

#### **Risks related to the Adviser's quantitative and statistical methods of analysis**

**Operational Risk:** NCH has developed systems and procedures to manage operational risk. Operational risks arising from quantitative model errors, mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked or accounted for, or other similar disruption in the Adviser's operations may cause the Adviser to suffer financial loss, the disruption of its business, liability to Clients or third parties, regulatory intervention, or reputational damage. NCH relies heavily on its financial, accounting, and other data processing systems. The ability of its systems to accommodate an increasing volume of transactions could also constrain the Adviser's ability to properly manage a Client's portfolio.

**Trading Judgment:** The success of the proprietary valuation techniques and trading strategies employed by NCH is subject to the judgment and skills of the portfolio management and research teams. Additionally, the trading abilities of the portfolio management team with regard to execution and discipline are important to a Client's performance. There can be no assurance that the investment decisions or actions of the portfolio manager or the firm's researchers will be correct. Incorrect decisions or poor judgment may result in substantial losses to a Client.

**Trading Decisions Based on Quantitative and Other Analysis:** NCH's portfolio management and trading decisions are based on quantitative models and other analyses. Any factor that would lessen the prospect of major trends occurring in the future (such as increased governmental control of, or participation in, the financial markets) may reduce

the prospect that a particular strategy will be profitable. In the past, there have been periods without discernible trends and, presumably, such periods will continue to occur in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market) would also be detrimental to profitability. Further, many advisors' trading methods utilize similar analyses in making trading decisions. Therefore, crowding of buy and sell orders can occur, which makes it more difficult for a position to be taken or liquidated. No assurance can be given that the Adviser's strategies will be successful under all or any market conditions.

**Model and Data Risk:** Given the complexity of NCH's investment strategies, the Adviser relies heavily on quantitative models and information and data supplied by third parties ("Models and Data"). Models and Data are used to construct sets of transactions and investments, to provide risk management insights, and to assist in hedging the Clients' investments. When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose Clients to potential risks. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful.

Some of the models used by NCH are predictive in nature. The use of predictive models has inherent risks. For example, such models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. In addition, in unforeseen or certain low-probability scenarios (often involving a market disruption of some kind; for instance, major earthquakes or terrorist attacks), such models may produce unexpected results, which can result in losses to a Client's portfolio. Furthermore, because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the historical data. All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting valuations will be incorrect. However, even if market data is input correctly, "model prices" will often differ substantially from market prices, especially for securities with complex characteristics, such as derivative instruments.

**Obsolescence Risk:** NCH's strategies are unlikely to be successful unless the assumptions underlying the models used to implement those strategies are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and NCH does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result and/or returns may underperform expectations. NCH will continue to test, evaluate, and add new models, as a result of which the existing models may be modified from time to time. There can be no assurance as to the effects (positive or negative) of any modification on a Client's portfolio.

**Crowding/Convergence:** There is significant competition among quantitatively focused managers. To the extent that NCH's models come to resemble those employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect a Client is increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace.

**Risk of Programming and Modeling Errors:** NCH's research and modeling process is complex; the results of that process must then be translated into computer code. Although NCH seeks to hire individuals skilled in these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raises the chances that the finished model may contain an error. One or more of such errors could adversely affect a Client's portfolio and would generally not constitute a trade error subject to reimbursement under NCH's policies.

**Involuntary Disclosure:** As described above under "Model and Data Risk" and "Crowding/Convergence," NCH's ability to achieve its Client's investment objective is dependent in large part on its ability to develop and protect its models and proprietary research. The proprietary research and the Models and Data are largely protected by NCH through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, extensive position-level public disclosure obligations (or disclosure obligations to Clients, exchanges, or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer, and thereby impair the relative or absolute performance of a Client's portfolio.

### **Risks applicable to Investments in Emerging Markets**

The Fund invests in securities of companies organized or conducting business in emerging markets.

Factors that may make investment inherently risky in emerging markets include, but are not limited to, the following:

- (i) 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;
- (ii) volatility of securities prices and the liquidity of assets impairing profitability or resulting in losses;
- (iii) volatility of foreign exchange rates;
- (iv) less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries;
- (v) delays in obtaining, or refusal to grant, any required governmental registration;

- (vi) some of the laws that govern private and foreign investment, securities transactions and other contractual relationships may be new and largely untested and it may be difficult to obtain and enforce contractual obligations; and
- (vii) changes in tax laws and their interpretation by tax authorities may adversely affect the favorable tax regime the Fund intends to benefit from.

As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Fund will meet its investment objective or will otherwise be able to carry out its investment program successfully.

### **Risks Related to Technology and Cyber Security**

NCH must rely in part on digital and network technologies to conduct business and to maintain substantial computerized data relating to client account activities. Therefore, NCH is susceptible to cyber security risks that include, among others, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that we and our service providers, if applicable, use to service our Funds; or operational disruption or failures in the physical infrastructure or operating systems that support NCH or NCH's service providers, if applicable. Cyber-attacks against, or security breakdowns of NCH or NCH's service providers, if applicable, may adversely impact NCH and its Funds, potentially resulting in, among other things, financial losses; our inability to transact business on behalf of the Funds; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. NCH may incur additional costs related to cyber security risk management and remediation. There can be no assurance that NCH or NCH's service providers, if applicable, will not suffer losses relating to cyber-attacks or other information security breaches in the future.

### **Assumption of Catastrophe Risks**

The Funds may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or companies or ventures in which the Funds invests (or has a material negative impact on the operations of NCH or service providers), the risks of loss can be substantial and could have a material adverse effect on the Funds and the members' investments therein.

### **Coronavirus Risks**

In December 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, surfaced in Wuhan, China. The disease spread around the world, resulting in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote

working and “shelter-in-place” or similar policies by numerous companies and national and local governments. These actions caused the disruption of supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. The short-term and long-term impact of COVID-19 on the operations of the Adviser and the performance of the Funds is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the Funds.

**For a more detailed summary of certain key aspects of the investment strategy the Adviser employs on behalf of the Fund, a description of the types of investments in which the Fund invests, and a discussion of risk management procedures, please see the Confidential Private Placement Memorandum for the Fund.**

### **INDEMNIFICATION**

The terms of each NCH Client’s governing agreements generally limit NCH’s liability and the liability of certain related persons (such as the Manager, members of advisory committees, affiliates, constituent members, employees and managers, each of the foregoing an “Indemnified Party”). The terms generally provide that a Fund shall indemnify the Indemnified Parties from any loss or damage incurred by them or the Partnership for any act or omission taken in good faith by the Indemnified Parties.

This indemnification does not apply generally to any act or omission with respect to which a court of competent jurisdiction has issued a final, non-appealable decision, judgment or order that such Indemnified Party was grossly negligent, engaged in willful misconduct or, in case of any criminal act or violation, that such Indemnified Party shall have had reasonable cause to believe that the conduct was unlawful.

## **Item 9. Disciplinary Information**

Neither NCH nor any management person of NCH has a record of any material disciplinary event.

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

There are no activities or affiliations that are material to the Clients of the Relying Advisers mentioned in Item 1.

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

### **Code of Ethics**

NCH has adopted a Code of Ethics that sets forth a standard of business conduct and compliance with federal securities laws, pursuant to Rule 204A-1 under the Advisers Act. The Code of Ethics contains policies and procedures intended to ensure that personal securities trading by certain NCH employees is conducted in a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Code of Ethics also serves to remind all NCH employees of the firm's and their obligations as fiduciaries. Each employee is required to acknowledge the Code of Ethics at the inception of his or her employment and annually thereof.

The Code of Ethics requires pre-clearance before an employee is permitted to invest in any initial public offerings, private placements, limited offerings and other pooled investment vehicles, as well as to trade certain securities in the target countries of investment. The Code of Ethics also requires employees to report periodically certain personal securities transactions and holdings. Finally, employees are also required to disclose periodically certain outside activities in order for NCH to monitor any actual or potential conflicts of interest.

NCH also monitors the giving and receiving of business gifts and entertainment above certain designated values. Furthermore, NCH has formulated and implemented a policy requiring compliance with the U.S. Foreign Corrupt Practices Act ("FCPA").

To avoid any potential conflicts of interest involving the misuse of material, non-public information whether in personal trading or for the benefit of its Clients, NCH has adopted a policy concerning the proper handling of Material Non-Public Information.

NCH actively monitors for actual and potential conflicts of interest in the course of its business. It pursues a policy of carefully ensuring proper allocation of expenses and actively monitors any business between itself, its affiliates/employees and any of its portfolio companies to ensure that any such business is conducted on arms-length terms.

### **Participation or Interest in Client Transaction**

**Cross Trades** – It is NCH's general policy not to engage in buying or selling of securities from one NCH Client to another. Cross trades occur under limited circumstances and such transaction must be fair to all parties. NCH will only proceed when the investment team believes that best execution can be achieved. Any cross trades are reviewed and approved by NCH Compliance prior to execution.



**Principal Transactions** – In general, NCH, nor its related persons, principals and employees, do not engage in Principal Transactions (transactions where an investment adviser, acting for its own account or the account of an affiliate, buys a security from or sells a security to a Client it manages). The Adviser and its related persons comply with Section 206(3) of the Advisers Act, requiring prior consent of investors before the Adviser or its related persons engage in Principal Transactions.

**Firm and Employee Investments** - NCH, its related persons, and NCH's employees may invest directly in the Funds. Subject to the requirements of the Code of Ethics, employees may also invest directly in the securities that may have been recommended to the Funds. Other than as described in the Code of Ethics section above, NCH believes this does not create a conflict of interest between NCH and its Funds.

#### **Availability of the Code of Ethics**

If requested and as required by law, NCH will provide a copy of the Code of Ethics to an investor or prospective investor. NCH's Compliance team may be contacted at 212-641-3200 or at [compliance@nchcapital.com](mailto:compliance@nchcapital.com) to obtain a copy.

## Item 12. Brokerage Practices

To execute NCH's securities transactions, we rely upon brokers. As a discretionary investment adviser, NCH has a duty to select brokers, dealers and other trading venues that provide best execution for our Clients. The lowest possible commission, while very important, is not the only consideration. NCH evaluates various factors such as price optimization, service quality and overall performance in order to obtain the best execution for portfolio transactions.

When NCH determines that it would be appropriate for more than one Client to participate in an investment opportunity, NCH will seek to allocate orders for all participating Funds in a reasonable and equitable manner.

With regard to SMAs, the Adviser may permit the Client, as set forth and agreed to in the client's investment management agreement, to limit the Adviser's discretionary authority with respect to selection of the brokers for sales and purchase orders. When the Client directs the Adviser to use a particular execution venue to execute portfolio transactions for the account, the transaction may not be aggregated for execution purposes with orders for the securities or instruments for other accounts managed by the Adviser, which may result in higher commissions, greater spreads or less favorable newt prices than would be the case if the Adviser were empowered to select execution venues to execute transactions for the account.

The Adviser may aggregate sales and purchase orders of similar orders being made simultaneously for Clients. In any single transaction in which purchases and or sales of securities of any issuer for a Client are aggregated with other accounts managed by the Adviser, the actual prices applicable to the transaction will be averaged among the Clients for which the transaction is effected.

### **SOFT DOLLAR CONSIDERATION**

From time to time, NCH may pay a broker-dealer commission (or markup or markdown) for effecting certain Client transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. NCH will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act") and subject to prevailing guidance provided by the SEC regarding Section 28(e). NCH believes it is important to its investment decision-making processes to have access to independent research.

Also, consistent with Section 28(e), research products or services obtained with "soft dollars" generated by a Client may be used by NCH to service one or more other Clients, including Clients that may not have paid for the soft dollar benefits. NCH does not seek to allocate soft dollar benefits to Clients in proportion to the soft dollar credits a Client

generates. Where a product or service obtained with soft dollars provides research and non-research assistance to NCH (*i.e.*, a "mixed use" item), NCH will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of NCH's allocation of the costs of such benefits and services between those that primarily benefit NCH and those that primarily benefit a Client.

When NCH uses brokerage commissions (or markups or markdowns) generated by a Client to obtain research or other products or services, NCH receives a benefit because it does not have to produce or pay for such products or services. NCH may have an incentive to select or recommend a broker-dealer based on NCH's interest in receiving research or other products or services, rather than on a Client's interest in receiving most favorable execution.

On an annual basis, NCH will consider the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of a Client on the basis of that consideration. Broker-dealers may suggest a level of business they would like to receive in return for the various products and services they will provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can exceed the suggested level, because total brokerage will be allocated on the basis of all of the considerations described above. In no case will NCH make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

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

The Portfolio Manager is the final decision-makers with respect to investment strategy and portfolio approach, composition and execution for the Clients. The Portfolio Manager and investment team regularly reviews and evaluates the Client's portfolio holdings for compliance with each Client's investment objective, policies and restrictions.

Monthly Investor Capital Account Statements for the Clients are prepared and distributed by an external fund administrator. Books and records of each Client are kept in accordance with its governing agreement, with oversight by NCH's Chief Financial Officer and Controller in New York. Reports to Fund investors also include quarterly management reporting that describes the macro-investment environment, updates on the portfolio and significant portfolio or Firm developments that may materially impact investors. In addition, on an annual basis, the Adviser on behalf of its Funds engages independent auditors to perform an audit and issue audited financial statements of such Funds.

With respect to the SMAs, each beneficial owner of a Managed Account will receive reports documenting performance as agreed to in the governing documents of the SMA.

NCH assists Limited Partners, Members, and other clients, with any questions pertaining to their investment. Any such interchange may take place in person or by phone or email.

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

From time to time, NCH may engage third party placement agents to solicit investors to invest in new fund offerings or to open a Managed Account. Any placement fees charged by the outside firm are the responsibility of NCH and the Principals, not of the investors in the Fund or the SMA.

## **Item 15. Custody**

NCH Client funds, assets or securities are maintained by qualified third party custodians, i.e., a licensed broker-dealer, bank or foreign institution customarily carrying out custody duties. NCH's policy is to distribute audited financial statements of the Funds in accordance with Rule 206(4) – 2(b)(4) promulgated under the Advisers Act.

For the avoidance of doubt, the Adviser does not have custody of the funds and securities it manages for SMAs and is therefore not required to comply with the Custody Rule with respect to such accounts.

## **Item 16. Investment Discretion**

NCH manages Funds' investment portfolios on a discretionary basis according to the terms and conditions of the relevant NCH Fund governing agreement. Similarly, NCH provides discretionary advisory services for the SMAs and the Adviser's investment decisions and advice with respect to each SMA are subject to each client's investment objectives and guidelines, as set forth in the client's investment management agreement, as well as any written instructions provided by the client to the adviser.

## **Item 17. Voting Client Securities**

NCH follows the proxy rules of Rule 206(4)-6 under the Advisers Act. NCH's Proxy Voting Policy outlines our policy for proxy voting. It has appointed a proxy voting Program Administrator in order to ensure that voting of securities on behalf of the Accounts is conducted in accordance with these policies and procedures.

The Program Administrator presents each significant position upon which NCH will vote to the portfolio manager who is responsible for dealing in the security that is the subject of the proxy or voting matter. The Portfolio Manager or responsible person has the responsibility to determine that the vote will be in the best interests of the majority of the accounts without regard to the personal interests of NCH or any individual investor. The Portfolio Manager or the responsible person may also decide that not voting may be in the best interest of the accounts.

The Adviser for SMAs, consistent with NCH's Proxy Voting Policy, shall have exclusive authority, and may take any action it deems reasonably appropriate (consistent with its fiduciary duties) regarding the voting of proxies, subject to any directions given by the beneficial owner of the SMA from time to time.

Ultimately, the Program Administrator ensures that such voting takes place on a timely basis and documents the voting process accordingly. In addition, NCH believes a company's environmental, social, and governance practices may have significant effect on the value of the company, and we take these factors into consideration when voting.



## **Item 18. Financial Information**

NCH is not required to provide a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonable likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19. Requirements for State-Registered Advisers**

Not Applicable

## **CLIENT PRIVACY NOTICE**

### **Introduction**

This notice (the “Notice”) is addressed to any natural person who is an investor in any fund managed or advised by NCH Capital Inc. or its affiliates (“NCH”) (an “NCH Fund”), or a member, partner, shareholder, beneficial owner, officer, director, employee or other representative of an investor in an NCH Fund, including any prospective investor (“you” or “NCH Client”) whose personal information NCH collects and controls in the conduct of its business.

This Notice gives information regarding your personal information (defined as “personal data” under the Privacy Laws (defined below)) and describes the basis on which we process your personal data, for what purposes, your privacy rights under applicable privacy laws including, where applicable, under the Data Protection Law, 2017 of the Cayman Islands (“DPL”), European Union’s General Data Protection Regulation (“GDPR”), the California Consumer Privacy Act (“CCPA”) and applicable US and Non-US privacy laws (the “Privacy Laws”) and how we protect your personal data. Maintaining your privacy is important to us and we hold ourselves to the highest standards in its safekeeping and use. We have developed policies designed to protect confidentiality, while allowing the requirement of the regulatory regimes to which the NCH Fund and NCH are subject to be observed. We do not sell any personal data and have not sold any personal data in the past.

### **The information we collect**

In the conduct of our business, we may obtain personal data in connection with a person’s current or proposed investment in an NCH Fund (any such person being a “NCH Client”), including without limitation your name, role/position/title and area of responsibility, date of birth, address and other contact details, tax or other identification number, identity documents and financial information. We may additionally collect information about your income, assets, and other financial information, including asset situation, investment experience and objectives, risk tolerance and marital status. This information may come from public sources such as governmental authorities, public directories and screening or background checking tools, or an application, subscription or other forms or material completed or supplied by current or prospective NCH Clients, or other written, electronic or verbal correspondence which relate to transactions by or on behalf of an NCH Client as well as financial information relating to any such person’s investment in an NCH Fund or any portfolio investments, such as capital account balance, contributions, income allocations and distributions. We may also collect special categories of personal data (as defined in the GDPR) where provided by you, with your consent.

### **How we use information that we collect**

We collect your personal data to fulfill our contractual obligations, our statutory obligations and/or to pursue the legitimate interests of NCH and for other purposes for which NCH has a lawful basis under the Privacy Laws, including: (i) for compliance with

legal and regulatory requirements such as regulations aimed at prevention of money laundering or terrorist financing or “Know Your Customer” requirements, as well as to verify the status and/or eligibility of NCH Clients for funds or services offered by NCH and for determination of the suitability of such funds or services for NCH Clients and for compliance with tax reporting requirements; (ii) for purposes of reporting to, or communicating with, NCH Clients concerning their investment in NCH Funds or appointment or engagement of NCH consistent with our obligation to such NCH Clients; (iii) in connection with our investment activities, including investment due diligence or investment monitoring activities or in response to “Know Your Customer” requirements of counter-parties; (iv) in connection with litigation, investigations, regulatory or governmental inquiries or for other legal or regulatory purposes involving NCH, NCH Funds or NCH Clients; and (v) for other legitimate business interests. If you have provided special categories of personal data to us to enable us to respond to certain requests by you such as access requests or scheduling of meetings or similar requirements, we maintain such information with your consent.

In addition, we may, and only with your consent or where we have identified a legitimate interest in doing so (and to the extent permitted by law), process your personal data in order to communicate with you, on behalf of the organization for whom you work or directly for yourself, for certain marketing purposes related to NCH’s business. In such case, we may provide additional data that we believe may be of interest, including about funds or services, news updates, research or market commentary, conferences, or events offered by or in conjunction with NCH. You have the right to unsubscribe to these communications by emailing [compliance@nchcapital.com](mailto:compliance@nchcapital.com).

### **The Disclosure of your Data**

*Within NCH.* We may share your personal data with NCH affiliates including with NCH Funds for any of the purposes set forth above. NCH affiliates, in turn, are not permitted to share your data with other non-affiliated entities, except as described herein or otherwise permitted by the Privacy Laws or other applicable laws. The transfer of personal data from the UK and or the European Economic Area (“EEA”) to NCH offices outside the UK and EEA, and any other country which has been recognized by the European Commission as providing an adequate level of data protection is governed by data transfer agreements which are in the form of the standard contractual clauses approved by the European Commission. See:

- [2004/915/EC: Commission Decision of 27 December 2004 amending Decision 2001/497/EC standard contractual clauses for the transfer of personal data to third countries](#); and
- [2010/87/: Commission Decision of 5 February 2010 on standard contractual clauses for the transfer of personal data to processors established in third countries under Directive 95/46/EC of the European Parliament and of the Council](#)

The transfer of personal data outside of the Cayman Islands to NCH entities in a country which the Ombudsman of the Cayman Islands does not consider as ensuring an adequate

level of data protection will be subject to appropriate safeguards, as required by the DPL, such as data transfer agreements.

*Outside NCH.* We may share your personal data with non-affiliated third parties for any of the purposes set forth above. By way of example, we share your personal data with:

- Service providers (*e.g.*, attorneys, auditors, accountants, tax advisers, administrators, custodians, depositaries, distribution managers and brokerage firms, AML service providers, event organizers or other agents, adviser or service provider of any NCH Fund or NCH Client). As is common in the industry, non-affiliated third party companies may from time to time be used to provide certain services, such as administration services, tax compliance services, reporting, account statements and other information, organizing events, conducting research on client satisfaction and gathering shareholder proxies. These companies may have access to your personal data but are permitted to use the information solely to provide the specific service or as otherwise permitted by law.
- Other counterparties, such as banks, or transactional counterparties that legitimately require your personal data for transactional business with NCH Funds.
- Law enforcement agencies and applicable regulators.

Where your personal data is processed by third parties, we will ensure appropriate safeguards are in place to adequately protect it. NCH will ensure appropriate safeguards are in place to adequately protect personal data, as required by applicable law, including the execution of standard contractual clauses (referred to above) if the recipients are not located in a country with adequate data protection laws (as determined by the European Commission or other relevant data protection authority). The transfer of personal data outside of the Cayman Islands to the third parties in a country which the Ombudsman of the Cayman Islands does not consider as ensuring an adequate level of data protection will be subject to appropriate safeguards, as required by the DPL, such as data transfer agreements.

### **Security**

We take seriously the obligation to safeguard your non-public personal data. We maintain physical, electronic, and procedural safeguards to protect against unauthorized access to your information. Details of our IT security measures are set out in our Written Information Security Program/Data Protection Policy. We endeavor to restrict access to non-public personal data about you to those members, officers, employees and other personnel of NCH and service providers who need to access to such information. All NCH employees and service providers are required to maintain the confidentiality of all non-public personal data.

### **Change to this Notice**

We may change this Notice from time to time. The latest version will be on our website and sent annually with the Form ADV Part 2 and posted on NCH's website.

### **Updating your Details**

If any of the information that you have provided to us changes, such as contact information, please let us know by sending an email to [compliance@nchcapital.com](mailto:compliance@nchcapital.com). We will take appropriate steps to verify the identity and authority of any parties (including you or your representatives) prior to responding to any inquiries or requests received relating to your personal information that we may possess.

### **Your Rights**

You have certain rights relating to the personal data we hold in accordance with and subject to Privacy Laws to: (i) check whether we hold personal data about you and to access such data (in accordance with our policy); (ii) request the correction of personal data about you that is inaccurate; (iii) have a copy of the personal data we hold about you provided to you or another controller where technically feasible; (iv) the extent consistent with our business and regulatory requirements, request the erasure of your personal data and request the restriction of processing concerning you; and (v) object to processing for direct marketing purposes. You are required to ensure the personal data we hold about you is up-to-date and accurate and you must notify us of any changes to the personal data you provided to us, for example, information supplied in relation to an investment in the applicable NCH Fund. If you provided consent for us to use your personal data for marketing purposes, you have the right to withdraw consent and we will process this withdrawal promptly. Please send your request to [compliance@nchcapital.com](mailto:compliance@nchcapital.com). These rights are not absolute: they do not always apply and exemptions may be applicable. We may, in response to a request, ask you to verify your identity and to provide information that helps us to understand your request better. If we do not comply with your request, we will explain why.

### **Data Retention**

We retain your personal data for a period of at least seven years from the date on which the relevant business relationship, for which purpose such personal data was provided, has ended (or if later, the date on which the last transaction was completed or the last entry to the record was made). Thereafter, NCH will delete (or otherwise erase, de-identify or pseudonymise or equivalent) any such personal data, except as required or permitted by applicable law or regulation.

### **Questions**

Please email [compliance@nchcapital.com](mailto:compliance@nchcapital.com) or call toll free (within the US only) (855) 641-3200, if you have any questions about our privacy notice. If you ever have any concerns about the way we are processing your data, or if you are concerned that your data is not being adequately protected, you have the right to make a complaint, in accordance with the applicable Privacy Laws to a supervisory authority.