



## **BLUE DIAMOND CAPITAL INVESTMENT ADVISORS, LLC**

180 N University Ave, Suite 250  
Provo, UT 84601

Telephone: 801-932-0311

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**This Brochure provides information about the qualifications and business practices of Blue Diamond Capital Investment Advisors, LLC (the “Firm”, “us” or “we”). If you have any questions about the contents of this Brochure, please contact Blue Diamond by phone at 801-932-0311 or e-mail at [michaelm@bdc-ia.com](mailto:michaelm@bdc-ia.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Blue Diamond Capital Investment Advisors, LLC is also available on the SEC’s website at <https://adviserinfo.sec.gov>.**

Blue Diamond Capital Investment Advisors, LLC is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.



**Item 2 – Material Changes**

N/A



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## Item 4 - Advisory Business

### Description of the Firm

We are a Utah-based limited liability company founded in March 2024. Our Managing Member and controlling owner is Michael Bingham.

### Types of Services Offered

We provide investment advisory services on a discretionary and non-discretionary basis to private funds and individuals, high net worth individuals and families, trusts, and entities ("Clients"). We work closely with Clients to identify and understand their investment objectives and to act in their best interest.

#### *Private Funds*

We provide non-discretionary investment advisory services to private investment funds exempt from the Investment Company Act of 1940 ("Blue Diamond Funds"). Blue Diamond Funds are typically established as limited partnerships or limited liability companies managed by an affiliate of the Firm ("Managers").

We source and perform due diligence with respect to prospective investment opportunities that we present to Managers. The Managers will have sole authority in deciding whether to make an investment, although we anticipate that the Managers will generally take our recommendations in light of our affiliate status. We also provide advisory services during the course of a recommended investment, including by advising on the timing and structuring of sale events.

#### *Non-Fund Clients*

We provide discretionary and non-discretionary investment advisory services to individuals, families, trusts, and entities other than private funds ("Non-Fund Clients"). We provide recommendations relating to investments in public and private securities, with a focus on alternative investments in equity and debt securities, options, and other instruments that have passed the Firm's due diligence tests ("Alternative Investments"). Alternative Investments are typically made as part of a private placement of securities exempt from the registration requirements of the Securities Act of 1933.

We tailor our advice to Non-Fund Clients based on a formal Investment Plan ("IP") that we develop through discussion with the client at the beginning of the advisory relationship. The IP reflects the Client's investment objectives, financial circumstances (including income, non-liquid assets and real estate assets), time horizons and liquidity requirements, risk tolerances, and other important information. Clients may also identify investment restrictions and other requests in the IP, and we will comply with such requests. Clients must inform us of any facts, circumstances, or other factors relating to or that may impact the IP.

#### Non-Discretionary Authority:

When we provide non-discretionary investment advice to Clients, we provide investment recommendations to Clients. In such cases, Clients will have sole authority in determining whether to make an investment that we recommend. Clients will also be required to execute subscription and other investment documents directly with the issuer, and will be



responsible for complying with the issuer's subscription (including payment) instructions.

In general, we do not provide ongoing monitoring of investments made by a Client at our recommendation. However, we may agree to provide those services on a client-by-client basis, in which case the monitoring services are further described in our investment advisory agreement with the Client. Any investment reports are provided at the determination of the issuer of the Alternative Investment, although status reports relating to underlying investment assets are generally provided by the Managers.

#### Discretionary Authority:

We may also agree to advise Non-Fund Clients on a discretionary basis. Where we agree to provide discretionary investment advice, we may effect transactions on the Client's behalf without obtaining the Client's prior written authorization. Additionally, we may have authority under our advisory agreement with the Client to effect an investment in the applicable Alternative Investment, including by executing relevant subscription and other investment documents on the Client's behalf.

We may provide ongoing monitoring of investments made on a discretionary basis, if requested by a Client and agreed to by us in our investment advisory agreement with the Client. Any investment reports are provided at the determination of the issuer of the Alternative Investment, although status reports relating to underlying investment assets are generally provided by the Managers.

#### Assets under Management

As of January 5, 2025, Blue Diamond has total assets under management of \$0.

### **Item 5 - Fees and Compensation**

We charge an hourly fee for our advisory services. Fees are payable quarterly in arrears upon receipt of an invoice from the Firm describing the fees owed. With respect to Blue Diamond Funds, fees may be paid by the Blue Diamond Fund or its Manager.

With respect to Blue Diamond Funds, we may charge a fee calculated as a percentage of assets held by such funds in lieu of an hourly fee. In these cases, fees will be payable quarterly in arrears, based on the prior quarter-end value of the Blue Diamond Fund's assets advised (determined as of the last business day of the prior calendar quarter), and calculated quarterly using the actual day count methodology.

Advisory fees do not include fees and/or expenses charged by third parties, including brokerage commissions (see *Item 12 – Brokerage Practices*), third-party investment advisory fees, transfer taxes, wire transfer and electronic fund fees, as well as all other fees and taxes regarding securities transactions. Further, with respect to Blue Diamond Funds, advisory fees do not include fees, expenses (such as audit, legal, administrative and other such fund level expenses), and carried interests charged by Managers, which are disclosed in the respective investment offering documentation of a Blue Diamond Fund.

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

We do not receive performance-based fees. However, the Firm is affiliated with Managers that receive performance-based fees in the form of a carried interest paid to the Managers



of Blue Diamond Funds. As such, our supervised persons will have an interest in performance-based fees paid by the Blue Diamond Funds. Additionally, if we charge Blue Diamond Funds a fee based on a percentage of assets under advisement, we will charge such fees while also charging an hourly fee to Non-Fund Clients.

We have a conflict of interest because our receipt of hourly fees creates an incentive to maximize the time we spend providing advisory services. Additionally, because our supervised persons indirectly receive a carried interest as members of Managers, they are incentivized to provide advisory recommendations to Blue Diamond Funds that maximize the return of funds regardless of the risk of the recommended investment.

Further, our supervised persons are incentivized to recommend an investment in Blue Diamond Funds to Non-Fund Clients since they have an interest in the Manager's carried interest. Supervised persons are also incentivized to allocate investment opportunities to Clients who invest or who we anticipate will invest more funds in a Blue Diamond Fund because doing so would (i) increase the Blue Diamond Fund's assets and therefore our advisory fees, if we charge a percentage-based advisory fee, and (ii) increase the carried interest which our supervised persons have an interest through the Manager.

To address these conflicts, we: (i) disclose them in this Brochure; (ii) monitor our supervised persons to ensure they are spending an appropriate amount of time providing advisory services to clients; (iii) only recommend an investment to a Blue Diamond Fund if it has passed our due diligence tests; (iv) only recommend an investment in a Blue Diamond Fund to a Non-Fund Client if we believe it to be in the best interest of such Client; (v) do not charge an hourly fee to Non-Fund Clients with respect to recommendations regarding an investment in a Blue Diamond Fund; (vi) treat advisory fees as a Manager-level fee not charged to the Blue Diamond Fund; and (vii) allocate investment opportunities among our non-fund clients in accordance with our allocation policy described in *Item 12 – Brokerage Practices*.

## **Item 7 - Types of Clients**

The Firm provides advisory services to Blue Diamond Funds and Non-Fund Clients, who may include individuals, high net worth individuals or families, trusts, and business entities.

There is no minimum account value the Firm can impose on Clients. The Firm reserves the right to accept Clients of any net worth and with accounts of any value.

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

### Methods of Analysis

We focus primarily on fundamental analysis methods to evaluate investment opportunities and provide investment advice. Fundamental analysis includes examining past and current financial statements, management, competitive companies/assets, industry trends, and macroeconomic factors. The risk of implementing a primarily fundamental analysis is that we do not attempt to anticipate market movements, and therefore may not anticipate changes in the price of a security resulting from overall market fluctuations regardless of economic and financial factors.

On investments involving real estate, we also focus on industry-specific factors, such as entitlement and zoning compliance, absorption forecasts, and financial analysis.



## Investment Strategies

Our firm primarily employs the following investment strategies:

*Real Estate Based Development Opportunities.* We primarily analyze and recommend investments in development opportunities with third party and/or related party sponsors and real estate developers. These private opportunities are negotiated based on forecasted internal rates of return and leverage requirements. The investments we recommend are long-term investments with minimal to no liquidity until the investment's underlying real estate asset is fully stabilized or a liquidity event occurs.

*Private Operating Company Opportunities.* We source and recommend investments in private companies with potential for growth. These opportunities are negotiated based on risk mitigation for invested capital while still providing the possibility of growth. The investments we recommend are long-term investments with restricted liquidity that varies based on the cashflow forecasts of the operating company.

*Private Debt Opportunities.* We source, negotiate and recommend investments in debt issued by companies we are familiar with, and which we typically have an existing investment relationship with. We assess these opportunities for their risk mitigation characteristics and their ability produce consistent returns from forecasted cash flows. The investments we recommend may be short or long-term, typically with restricted liquidity that varies based on the terms of the debt agreement.

## Investment Risks

### ***Risk of Loss***

**Investing in securities involves a risk of loss that clients should be prepared to bear. There can be no assurance that the investment objective of our clients will be achieved, and that clients will not incur losses.**

The risk of loss may arise from numerous factors that are beyond the control of Blue Diamond, including market conditions, interest rates, exchange rates, inflation/deflation, changing domestic or international economic or political conditions and policies, changes in tax laws and government regulation and other factors.

Additional risks are provided below, but do not constitute a complete list of applicable risks. Each client is encouraged to consult with Blue Diamond to review the specific risk parameters of, and assets that comprise, the client's account or portfolio at any given time.

### *Risks Relating to Certain Alternative Investments*

Investments in Alternative Investments, particularly investments in private pooled investment vehicles, are subject to a range of risks, including: (i) by relying on applicable exemptions from registration under the Investment Company Act of 1940, private funds and their managers are not subject to the same level of oversight or regulation by the SEC as registered investment companies; (ii) the liquidity of an investment in a private fund or other pooled investment vehicle will be severely restricted and the investments may take years to dispose of, since interests in them generally are not readily marketable, transfers of the interests will likely be subject to restrictions under applicable securities laws, and investors' right to withdraw from or transfer interests will likely be severely restricted; (iii) the performance and success of each pooled investment vehicle will depend on the



management of its manager; (iv) investors typically have limited rights and remedies in connection with the management of a pooled investment vehicle, while managers are generally afforded broad discretion, indemnification, exculpation, and other favorable rights; and (v) investors in pooled investment vehicles that, in turn, invest in other funds and vehicles typically will not have standing or recourse against the underlying funds, its managers or affiliates.

Additionally, the Firm's affiliation with Blue Diamond Funds results in conflicts of interests. See *Item 6 – Performance-based Fees and Side-by-Side Management* and *Item 11 – Code of Ethics, Participation/Interest in Client Transactions, Personal Trading* for more information.

#### *Concentration and Diversification Risks*

Portfolios concentrated in specific sectors, regions, or asset classes may experience heightened volatility. Additionally, investors are unlikely to have access to sufficient Alternative Investments to achieve a diversified portfolio of Alternative Investments, increasing the adverse impact on an investor's portfolio if any Alternative Investment is unsuccessful.

#### *Derivative and Option Risks*

We may invest or recommend investing in derivative securities. Investing in derivative securities may result in losses greater than the initial investment due to leverage used to invest in the asset or mispricing the underlying or derivative asset. An option is a type of derivative in the form of a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a specified date. Options can be highly volatile investments and involve special risks. The success of an investment strategy using options depends on our ability to successfully predict movements in securities prices, interest rates and other economic factors. We may also use options to limit the potential upside and downside in securities we purchase for a client's portfolio. Investing in an option can reduce a client's return if the investment is made at an inappropriate time or if we judge market conditions incorrectly. A client will also experience losses if the prices of option positions were to be poorly correlated with their other investments, or if the position could not be closed because of an illiquid secondary market.

#### *Management Risks*

Blue Diamond has a limited operating history for prospective clients to evaluate prior to selecting Blue Diamond as an investment adviser. Investments managed by us may vary with the success and failure of our investment strategies, research, analysis, and due diligence.

#### *Equity Securities Risks*

Common stocks and other equity securities generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price could decline as a result of poor decisions made by management, lower demand for the company's services or products, underperformance of a company's revenues. If the issuer experiences credit issues or defaults on debt, the value of the issuer may also be reduced.

#### *Market and Economic Risks*

Either the stock market as a whole, or the value of an individual company, goes down





resulting in a decrease in the value of client investments. Stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Common stock (or its equivalent) is generally exposed to greater risk than preferred stocks and debt obligations of an issuer.

Likewise, changes in economic conditions, including, for example, interest rates, inflation rates, currency and exchange rates, industry conditions, competition, technological developments, trade relationships, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the investment performance of a client's account. Economic, political and financial conditions (including military conflicts and financial sanctions), or industry or economic trends and developments, may, from time to time, and for varying periods of time, cause volatility, illiquidity or other potentially adverse effects in the financial markets. Economic or political turmoil, a deterioration of diplomatic relations or a natural or man-made disaster in a region or country where Blue Diamond's client assets are invested may result in adverse consequences to such clients' portfolios. None of these conditions is or will be within the control of Blue Diamond, and no assurances can be given that Blue Diamond will anticipate these developments.

#### *Blue Diamond Business Continuity Risks*

The Firm's business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster, terrorist attacks, wars or other circumstances resulting in property damage, network interruption and/or prolonged power outages. Although the Firm has implemented measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on the Firm and investments therein.

#### *Cybersecurity Risks*

Blue Diamond's information and technology systems could be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltrations by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm has implemented and will continue to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm will have to make a significant investment to fix or replace them. The failure of these systems and/or disaster recovery plans for any reason could cause significant interruptions in the Firm's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients. Such a failure could harm the Firm's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of the Firm's information, technology or security systems could have an adverse impact on its ability to provide advisory services to Clients.

#### *Regulatory/Legislative Developments Risk*

Regulators and/or legislators may promulgate rules or pass legislation that places restrictions on, adds procedural hurdles to, affects the liquidity of, and/or alters the risks associated with certain investment transactions or the securities underlying such investment transactions. Such rules/legislation could affect the value associated with such



investment transactions or underlying securities.

THIS LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN CONNECTION WITH THE ADVISER'S INVESTMENT OR THE MANAGEMENT OF CLIENTS ACCOUNTS. IN ADDITION, PROSPECTIVE CLIENTS SHOULD BE AWARE THAT, AS MARKETS DEVELOPS AND CHANGES OVER TIME, INVESTMENTS MAY BE SUBJECT TO ADDITIONAL AND DIFFERENT RISKS.

### **Item 9 - Disciplinary Information**

There are no legal or disciplinary events material to the Firm's clients or prospective clients' evaluation of our advisory business or the integrity of our management.

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

Neither the Firm nor our management persons are registered, nor have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Firm nor our management persons are registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

We are affiliated with Blue Diamond Funds and their Managers through common control and ownership. As discussed previously, this creates conflicts described in Item 6 – Performance-based Fees and Side-by-Side Management and *Item 11 – Code of Ethics, Participation/Interest in Client Transactions, Personal Trading*.

### **Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

#### Code of Ethics

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"), the Firm has adopted a Code of Ethics that establishes high ethical standards of business and professional conduct which we require our employees to follow. We will provide clients or prospective clients with a copy of our Code of Ethics upon request.

#### *General Principles*

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must act in the best interests of our Clients, and must not place the interests of our clients ahead of their own or the Firm's at any time. Employees should exercise independent, unbiased judgment in the investment decision-making process.
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics and in a manner that avoids actual or potential conflicts of interest.
- Employees should not take inappropriate advantage of their position at the Firm.



Supervised persons are not permitted to use their knowledge of proposed or actual recommendations or transactions to profit personally and may not accept investment opportunities, perquisites, or gifts from persons doing or seeking business with the Firm that could call into question the supervised person's independent judgment. The term "Supervised Persons" includes any employees, partners, officers, directors (or other persons occupying a similar status or performing similar functions) as well as any other persons that provides advice on the Firm's behalf and are subject to the Firm's supervision and control.

### *Personal Securities Transactions*

Pursuant to Rule 204A-1, the Firm's Code of Ethics governs the personal securities transactions of any Firm-supervised person: (1) who has access to nonpublic information regarding any client's purchase or sale of securities or nonpublic information regarding the portfolio holdings of any reportable fund; (2) who is involved in making securities recommendations to clients or who has access to such recommendations that are nonpublic; or (3) who is a director, officer, or partner of the Firm (any such person is referred to as an "Access Person").

Access Persons are required to submit initial, quarterly and annual reports to the Firm's compliance team regarding their securities holdings, including equity, debt, options, futures, and digital assets. Reportable securities holdings do not include, for example, government securities and money market funds. Access Persons may provide brokerage confirmations and account statements in lieu of submitting holdings or quarterly transaction reports, if all of the required information is contained in the confirmations and account statements. Access Persons may also need to submit individual balance sheets and detail personal investments if they lack access to account statements and trade confirmations (for example, where the Access Person is invested in a private investment that does not provide account statements or similar documentation). The Firm's CCO periodically reviews personal securities transactions and holdings reports to monitor compliance with the Code of Ethics.

The reporting requirement may not apply in certain circumstances e.g., (1) if the securities of the Access Person are held in accounts over which the Access Person had no direct or indirect influence or control; (2) transactions effected pursuant to an automatic investment plan; or (3) reports providing duplicate information contained in broker trade confirmations or account statements that supervised persons hold in their records.

The Firm's compliance team will determine the extent to which an Access Person is not required to provide reports under Rule 204A-1, and the Firm may nonetheless require the provision of reports regardless of the scope of that rule. Prior to approving an exemption from the reporting requirement, the Firm may require certifications from the Access Person and/or the person providing financial services with respect to the Access Person's assets.

Additionally, Access Persons are not permitted to acquire securities for their own account in an initial public offering or limited offering (e.g. a private placement of securities) without pre-approval from the CCO.

### *Participation or Interest in Client Transactions*

The Code of Ethics does not prevent or prohibit the Firm, Access Persons, or supervised persons ("Blue Diamond Persons") from trading in securities that the Firm may



recommend or in which Blue Diamond Persons may invest Client assets on a discretionary basis.

Additionally, the Firm may provide advisory services with respect to accounts of Blue Diamond Persons and their family members who are also paying clients (“Blue Diamond Person Accounts”).

Therefore, Blue Diamond Persons may:

- (1) Recommend to clients securities in which one or more Blue Diamond Persons has a material financial interest.
- (2) Invest in the same securities (or related securities) that Blue Diamond Persons recommends to clients.
- (3) Recommend securities to clients at or about the same time that Blue Diamond Persons buys or sells the same securities for their own accounts.

These possibilities present a conflict of interest in that Blue Diamond Persons might seek to benefit themselves by using knowledge of Client investments to inform their own investment decisions.

The Firm may also recommend investments by Non-Fund Clients in Blue Diamond Funds. This creates a conflict of interest because the Firm may receive an advisory fee from Blue Diamond Funds based on a percentage of a fund’s assets, and because supervised persons have an interest in the Managers, which are entitled to a carried interest payable by the Blue Diamond Funds. See *Item 6 - Performance-Based Fees and Side-By-Side Management* for a description of the steps the Firm takes to address such conflicts.

While Blue Diamond Person Accounts are generally treated the same as all other client accounts, the Firm addresses conflicts by: (i) requiring all investment activity to be in strict adherence with our Code of Ethics and fiduciary duties; (ii) prohibiting supervised persons from using their knowledge regarding Client investments to make a personal investment decision that benefits them while harming the Client; (iii) requiring that no Blue Diamond Person has priority over a client with respect to an investment opportunity; (iv) requiring a supervised person to receive the CCO’s approval before investing directly in any investment recommended to a Client; (v) requiring adherence to our allocation procedures; (vi) giving the relevant investment adviser representative discretion to lower the allocation to, or completely exclude, Blue Diamond Person Accounts from an investment allocation; and (vii) taking the steps described in *Item 6 - Performance-Based Fees and Side-By-Side Management*.

#### *Outside Business Activities*

All supervised persons must submit outside business activities to the CCO for the CCO’s review and written approval. The CCO reviews outside business activities to determine if any activity could be a conflict of interest with the rules and regulations of the applicable regulatory authorities, and whether and what type of disclosure is required.

Outside activities that must be reviewed and approved include the following:



- being employed or compensated by any other entity;
- engaging in any other business, including part-time, evening, or weekend employment;
- serving as an officer, director, partner, etc., in any other entity, including publicly traded companies; or
- engaging or participating in any investment or business transaction or venture with a client of the Firm.

The CCO conducts periodic reviews of outside business activities to ensure they do not interfere with any of the supervised person's responsibilities with the Firm. There may be instances when an outside business activity is disallowed by the Firm due to, for example, conflicts of interests that cannot be managed or that pose risks to the Firm's clients.

#### Interest of Affiliates in Blue Diamond Funds

The Firm may recommend to clients an investment in one or more Blue Diamond Funds that we advise, and that are managed by an affiliate of the Firm. Specifically, the Firm and the Managers are affiliated through common control and ownership. The Managers will receive an administrative fee and a carried interest as compensation for services provided to the Blue Diamond Funds. This creates the conflicts discussed in *Item 6 - Performance-Based Fees and Side-By-Side Management*.

Other private funds may have longer operating histories, stronger past performance, and other favorable characteristics compared to the Blue Diamond Funds.

The Firm addresses conflicts arising from the affiliation between the Firm and Blue Diamond Funds by taking the steps described in *Item 6 - Performance-Based Fees and Side-By-Side Management* and the above sub-section titled "*Participation or Interest in Client Transactions*."

### **Item 12 - Brokerage Practices**

#### Selection of Broker-Dealers

As we generally do not have control over the securities or funds of Clients, and do not effect securities transactions on their behalf, we do not engage broker-dealers, custodians, or clearing firms for a Client. In the limited circumstances where the Firm has discretionary authority with respect to a Non-Fund Client, investments made by the Non-Fund Client either do not incur brokerage commissions or only involve services of a broker engaged by the issuer rather than the Firm.

We do not have soft-dollar arrangements with any brokerage firms.

#### Aggregation of Orders

As we only effect transactions on a limited basis to select Clients, and as such transactions are not made in public markets, we cannot aggregate transaction orders for Clients.

#### Allocation

If a Blue Diamond Fund or Alternative Investment is expected to have limited capacity,



we will make investment recommendations based on the nature of the opportunity and the client's IP. Accordingly, there is no guarantee that all Clients for which such an investment is suitable will be able to participate in the investment. We will strive to allocate opportunities equitably. However, we do not employ any rotation mechanism with respect to limited capacity opportunities.

### **Item 13 - Review of Accounts**

#### **Reviews**

We may agree to review investments made by Blue Diamond Funds where requested by a Manager. We may also review investments made by Non-Fund Clients at the request of Clients. However, updating reports regarding investments are typically provided by the Managers or by the applicable issuer of an Alternative Investment.

Our CCO will review investments periodically (on at least an annual basis) to ensure that the advisory services provided to Clients are consistent with their IP, the Advisory Agreement, and the Firm's fiduciary duties.

We will also review investments at other times when circumstances warrant. Among the factors that may trigger an off-cycle review are: major market or economic events; requests by the Client; loss of confidence in a Manager; Clients' life events; changes in the Client's investment objectives and risk tolerance; and atypical investments or sizes of amounts a Client intends to invest in a recommended investment.

Generally, the applicable investment adviser representative of the Firm will meet with a Client on an annual basis, either in person, telephonically and/or via video conference depending on what is feasible and most convenient for us and the Client. The frequency with which meetings are conducted is determined based on the Client's needs, investments, expectations, and other Client-specific factors. The nature of these meetings is to learn whether our services align with the Client's IP.

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

We do not have arrangements with third-party solicitors for client referrals.

### **Item 15 - Custody**

Rule 206(4)-2 of the Advisers Act (the "Custody Rule") sets forth extensive requirements regarding possession or custody of client funds or securities. The Custody Rule requires advisers that have custody of client funds or securities to implement a set of controls designed to protect those client assets from being lost, misused, misappropriated, or subject to financial reverses.

In general, we do not hold or possess funds or securities of Non-Fund Clients or have any authority to obtain possession of them, do not directly debit advisory fees from any account, and do not have any fund/asset transfer authorization arrangements with a qualified custodian.

We have authority to possess or control Client funds in the limited cases where we provide discretionary investment advice. Additionally, our affiliated Managers have custody over the funds of Blue Diamond Funds. However, in these circumstances, our advisory services will relate to uncertificated securities involving private placement offerings, with





ownership recorded only on the issuer's/transfer agent's books in the name of the Client. Securities will be transferable only with prior consent of the relevant issuer. Further, with respect to Blue Diamond Funds, such funds are audited, and the audited financial statements are distributed as described in paragraph (b)(4) of the Custody Rule. Based on the foregoing, the custody obligations of Rule 206(4)-2 are generally inapplicable.

#### **Item 16 - Investment Discretion**

As stated above in *Item 4 - Advisory Business* and in our advisory agreements with Clients, we typically provide non-discretionary advisory services to our Clients. However, we may have discretionary authority in connection with a limited number of Clients, as agreed to by us in our sole discretion. As services are generally non-discretionary, most Clients are required to execute all relevant investment agreements directly, and we will not effect investments on their behalf.

Clients may include restrictions on the nature of the Firm's services in their IP.

#### **Item 17 - Voting Client Securities**

We do not have and will not accept authority to vote proxies on a client's behalf, including with respect to a Client's interests in Blue Diamond Funds. Clients should receive any proxies or other solicitations directly from the applicable issuer or transfer agent. If we do receive this type of information on a Client's behalf, we will promptly forward it to the Client.

You may contact us with questions about a proxy solicitation using the contact information provided at the beginning of the Brochure.

#### **Item 18 - Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. We have no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to our Clients.

We have not been the subject of a bankruptcy proceeding at any time in the past ten years.