



Asante Capital Group

SEC marketing rule compensated endorsement
disclosure statement

Asante Capital Group

SEC marketing rule compensated endorsement disclosure statement

1. Introduction

- 1.1. This disclosure statement (this "**Statement**") is being made under the provisions of Rule 206(4)-1 under the Investment Advisers Act of 1940 (the "**Marketing Rule**").
- 1.2. The Asante Capital Group comprises a number of regulated operating businesses as follows (the "**Asante Capital Group**"):
 - (a) Asante Capital Group LLP which is authorised and regulated by the Financial Conduct Authority to carry out a number of regulated activities in the UK and is also authorised under the Markets in Financial Instruments Directive (2014/65/EU; "**MiFID**") to provide 'investment advice' and to 'receive and transmit orders';
 - (b) Asante Capital Group Advisors, LLC ("**Asante US**") which is authorised as a broker dealer by the US Securities and Exchange Commission and is regulated by the Financial Industry Regulatory Authority;
 - (c) Asante Capital Group HK Limited which is licensed by the Hong Kong Securities and Futures Commission to complete type 1 regulated activities (dealing in securities); and
 - (d) Asante Capital Group Germany GmbH which is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**") under MiFID (as enacted in Germany under the Investment Firm Act (*Wertpapierinstitutsgesetz* – "**WpIG**")) to conduct Investment Brokering (*Anlagevermittlung*, § 2 para. 2 no. 3 WpIG; service A(1) of Annex I of MiFID) and placing services (*Platzierungsgeschäft*, § 2 para. 2 no. 8 WpIG; service A(7) of Annex I of MiFID).
- 1.3. You are receiving this Statement because you have received an 'advertisement' which is also treated as a 'compensated endorsement' (in both cases within the meaning of the Marketing Rule) that relates to a client of the Asante Capital Group, which is an SEC registered investment adviser (an "**Advisor**") and that is subject to the provisions of the Marketing Rule.
- 1.4. Under the provisions of Rule 206(4)-1(b)(1), the Asante Capital Group is required to make certain disclosures to the recipients of 'compensated endorsements' that relate to Advisors.
- 1.5. To the extent that you have any questions in connection with the content of this document, please direct these to the Asante Capital Group contact from which you received it.

2. Compensation disclosure

- 2.1. One of the Asante Capital Group operating entities listed in paragraph 1.2 has been engaged to act as placement agent in connection with the Advisor referred to in the advertisement that you have received.
- 2.2. While none of the Asante Capital Group entities are current clients of, or investors in, the Advisor, one or more employees or affiliates of the Asante Capital Group may be an investor in private funds or investments managed by the Advisor or its affiliates.
- 2.3. Pursuant to the terms of the placement agent agreement in place between the relevant Asante Capital Group entity and the Advisor, the Asante Capital Group will be compensated in cash for providing capital raising and distribution services to the Advisor.
- 2.4. Compensation may include one or more of the following elements:

- (a) the Asante Capital Group may be entitled to a placement fee calculated by reference to the value of financial commitments made by some or all of the investors that invest into the Advisor's investment product (a "**Product**") which is the subject of the advertisement;
 - (b) the Asante Capital Group may be entitled to a cash retainer fee, which may or may not be offset against the placement fee described in paragraph 2.4(a); and/or
 - (c) the Asante Capital Group may be entitled to a bonus payment upon the achievement of certain pre-determined objectives, generally where certain capital raising value thresholds are exceeded.
- 2.5. Compensation is generally paid to the Asante Capital Group by the Advisor over a period of months or years.
- 2.6. Asante US is a SEC registered broker dealer and therefore the relevant exemption to the disclosure content obligations specified in Rule 206(4)-1(b)(1) can be applied to any 'compensated endorsements' made by Asante US to non-retail customers.

3. Conflicts disclosure

- 3.1. As a regulated financial services group, the Asante Capital Group maintains robust conflicts of interests' policies in each operating entity. The Asante Capital Group's conflicts policies require it to identify, manage, disclose (where relevant) and monitor conflicts of interest that are applicable to the Asante Capital Group's operating activities.
- 3.2. In connection with the compensated endorsement that you have received, please note that the Asante Capital Group is engaged by the Advisor and treats the Advisor as its client. The Asante Capital Group is required from a contractual, regulatory and fiduciary perspective to act in the best interests of its client, the Advisor, which may conflict with your interests as an investor in any Product sponsored by the Advisor. In addition, because the Asante Capital Group is compensated based upon whether potential investors it identifies invest into the Product, the Asante Capital Group has an incentive to encourage investment in the Product.
- 3.3. Asante Capital Group also expects, from time to time, to do business with and earn fees or commissions from affiliates of the Advisor referred to in the advertisement, as well as with other third party fund sponsors that may have similar or different investment objectives from the Product, including the provision of advisory and placement services. Accordingly, potential investors should recognize that Asante Capital Group's participation as placement agent for the Product will potentially be influenced by its interest in obtaining such further business and related compensation.
- 3.4. Please note that the Asante Capital Group does not provide investment advice in connection with any Products that it is appointed to distribute. This means that the Asante Capital Group does not make any personal recommendations to any investors in respect of an investment in the relevant Product based on any investor's personal circumstances. No assessment is made by the Asante Capital Group as to whether an investment in a given Product is suitable for any investor based on the consideration of that investor's existing portfolio or circumstances, beyond ensuring that the relevant investor is both an 'accredited investor' (as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933) and a 'qualified purchaser' (as such term is defined under Section 2(a)(51) of the Investment Company Act of 1940) and/or otherwise meets the basic investor classification requirements of any applicable private placement rules.