



KAWA CAPITAL MANAGEMENT, INC.

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This Brochure provides information about the qualifications and business practices of Kawa Capital Management, Inc. If you have any questions about the contents of this Brochure, please contact us at (305) 722-7350 or email Felipe@KawaCapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Kawa Capital Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Kawa Capital Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Item 2 – Material Changes

This Disclosure Brochure, dated March 27, 2014, is our annual update to the March 27, 2013 version previously circulated. Our full Disclosure Brochure may be requested, at no charge, by contacting Felipe Lemos, Director of Operations and Chief Compliance Officer at (305) 722-7350 or Felipe@KawaCapital.com.

ITEM 4

The assets under management have been updated to reflect the levels as of December 31, 2013.

ITEM 10

Kawa Capital Management, Inc. registered with the CFTC as a Commodity Pool Operator in 2013.

There were no material changes related to its primary Private Fund (Kawa Fund); however, this Brochure contains a number of additional disclosures related to other Private Funds managed by Kawa. This includes new language in each of the following sections.

ITEM 5

Information about the fees associated with these other Private Funds

ITEM 7

A general explanation of the existence of these other Private Funds, including the fact that they are not continuous offerings.

ITEM 8

Additional disclosure about the risks of investing in these other Private Funds.

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Item 4 – Advisory Business

Advisory Services

4. A. Advisory Firm Description

Kawa Capital Management, Inc. (“Kawa” or “Adviser”) was established in 2007 by Daniel Ades and Alexandre Saverin, who are the principal owners of the firm.

4.B Types of Advisory Services

Kawa provides investment advisory and management services as an investment adviser to separately managed accounts and privately offered pooled investment vehicles (“Private Funds”) organized as domestic or foreign companies. Kawa’s primary focus is investing in global macro and special situations. Services provided to Private Funds by Kawa may include organizing and managing the business affairs of the entity and appointing service providers.

4.C. Client Investment Objectives/Restrictions

Investments for separately managed client accounts are managed in accordance with each client’s stated investment objectives, strategies, restrictions, and guidelines.

Investments for Private Funds are managed in accordance with the fund’s investment objective, strategies, and restrictions. They are not tailored to the individualized needs of any particular investor in the fund (each an “Investor”). Therefore, Investors should consider whether the fund meets their investment objectives and risk tolerance prior to investing. Information about each Private Fund can be found in its offering documents, including its private placement memorandum (“PPM”), which will be available to current and prospective investors only through Kawa or another authorized party.

The investment objective of the Adviser’s strategy is to achieve consistent positive investment results over time relatively independent of the returns generated by the overall equity markets. The Adviser invests principally in securities subject to corporate activity where the Adviser believes the market price does not adequately reflect the effect such activity will have on the securities’ valuation.

4.D. Wrap-Fee Programs

Kawa does not participate in, nor is it a sponsor of, any wrap fee programs.

4.E. Assets Under Management as of 12/31/2013:

Discretionary basis: \$423,791,018

Non-discretionary basis: \$88,422,096

Total Assets Under Management: \$512,213,114

Item 5 – Fees and Compensation

Advisory Contracts and Fees

5.A. Adviser Compensation

Kawa's fees are described generally below and also detailed in each client's advisory agreement.

Fees may change over time and, as discussed below, different fee schedules may apply to varying types of clients or advisory arrangements. If circumstances warrant, fees may be negotiated on a basis different from Kawa's stated fee schedules, and Kawa reserves the right to waive or reduce the fees charged to a particular client in its sole and absolute discretion.

Fee Schedules

Separately Managed Accounts

The Management Fee is calculated and paid quarterly, in arrears, in an amount equal to two percent (2%) per annum of the net assets in the account. Accounts are also charged a performance fee for Kawa's investment advisory services. The fees are paid on an annual basis, based on the net capital appreciation, up to a maximum of 20%.

Private Funds

Detailed descriptions of Private Fund fees are available in each Private Fund's offering documents.

Kawa Fund

The Management Fee is accrued monthly and paid quarterly, in arrears, in an amount equal to two percent (2%) per annum of the net assets attributable to each series of Units in the Fund.

Kawa may also receive, for each financial quarter, a Performance Fee with respect to each series of Units outstanding during such financial quarter. The Performance Fee will be

based upon an aggregate amount equal to 20% of the appreciation in the Net Asset Value of each series of Units in excess of the high water mark for such calendar year for the relevant series, before giving effect to the Performance Fee.

The Performance Fee is subject to what is commonly referred to as a “high water mark” pursuant to which such Performance Fee is only payable on new appreciation in the Net Asset Value of each series of Units and only after all prior net losses attributable to a series (excluding Performance Fees from the calculation of such net losses) have been recouped.

Once payable, a Performance Fee will not be reduced by losses incurred in later periods. Units of a series that are either purchased or redeemed during a financial year shall be subject to the payment of a Performance Fee only for a portion of the financial year during which such Units of that series were outstanding. Appropriate adjustments may be made to account for subscriptions and redemptions.

The Manager may elect to defer payment of all or any part of the Management Fee and/or Performance Fee pursuant to an agreement between the Manager and the Fund. If it does, the Manager will be paid at the end of the deferral period the deferred amount plus (or minus) an amount equal to the return that could be earned on the deferred amount, if it were invested in specified investments (which could include the return of the Fund).

Other Private Funds

Kawa also manages other Private Funds; however, these offerings are not sold after the initial close. Each has its own unique fee structure. Kawa may offer new Private Funds similar to these, and potential investors should read the respective offering documents to understand the fees associated with each.

Other Advisory Fee Arrangements

Kawa reserves the right, in its sole discretion, to negotiate and to charge lower advisory fees and/or performance fees for certain accounts based on the client’s particular needs as well as overall financial condition, goals, risk tolerance, and other factors unique to the client’s particular circumstances.

5.B. Direct Billing of Advisory Fees

Typically, Kawa deducts fees directly from client assets, but offers the option to bill clients for fees incurred.

5.C. Other Non-Advisory Fees

Kawa's advisory fee is exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients and the Private Funds may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. A client's portfolio may include positions in mutual funds or exchange traded funds which also charge internal management fees, which are disclosed in those funds' prospectuses. Such charges, fees, and commissions are exclusive of, and in addition to, Kawa's fee. Kawa does not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Kawa considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

5.D. Advance Payment of Fees

Kawa does not require advance payment of advisory fees.

5.E. No Compensation for Sale of Securities or Other Investment Products

Adviser's supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

Kawa may also, under appropriate circumstances, make special fee arrangements with Private Fund clients, including the use of performance-based fees. Any performance-based fees charged by Kawa will be in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), unless that rule is inapplicable by reason of Advisers Act Section 205(b) or interpretive positions of the staff of the U.S. Securities and Exchange Commission ("SEC").

Currently, all Kawa clients are charged a performance fee; however, not all clients may be charged the same performance fee. Performance-based fee arrangements may create an incentive for Kawa to recommend investments which 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 accounts over other

accounts in the allocation of investment opportunities. This creates a potential conflict of interest. Kawa has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

The managed accounts are not held *pari passu* with The Kawa Fund Ltd; however, investments deemed appropriate for managed accounts are transacted after investments are made for the fund, in accordance to each accounts specific investment guidelines.

Item 7 – Types of Clients

Kawa's potential clients are generally institutional or high net worth individual, which may include individuals, trusts, corporations, non-profit organizations, and privately offered pooled investment vehicles ("Private Funds") organized as domestic and foreign companies.

Separately Managed Accounts

The minimum amount required to establish separately managed account with Kawa is \$10,000,000. Kawa reserves the right to reduce the minimum requirement for certain accounts under certain circumstances.

Private Funds

The majority of Kawa's private fund assets are in The Kawa Fund Limited (the "Master Fund"), a British Virgin Islands Business Company jointly owned by the Kawa Onshore Feeder Fund, LLC, a domestic entity, and Kawa Offshore Feeder Fund Limited, a British Virgin Islands Business Company.

Kawa expects the Private Funds to qualify for exemption from the definition of "investment company" under the Investment Company Act of 1940 ("1940 Act") under Section 3(c)(1) and to offer interests to Investors pursuant to Regulation D under the Securities Act of 1933, as amended ("1933 Act") and/or Regulation S under the 1933 Act. As a result, this disclosure brochure ("Brochure") may discuss information relevant to such Investors, as necessary or appropriate. The minimum initial investment in the Private Fund is \$250,000.

In addition, Kawa also manages several small Private Funds that were each created for a specific and limited investment. These are not continuous offerings and the investment opportunities may not be given to all current investors or clients. Potential investors in these securities should carefully review the offering documents to understand the associated risks of these non-diversified investments. An affiliate of Kawa may serve in the capacity of a General Partner, and when this occurs, it will hire Kawa to serve as investment manager to the Private Fund.

Nonetheless, this Brochure is designed solely to provide information about Kawa and should not be considered to be an offer of interests in any Private Fund.

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

8.A. Methods of Analysis and Investment Strategies

The investment objective of Kawa's strategy is to achieve consistent investment results over time, relatively independent of the returns generated by the overall equity markets. The strategy focuses on investments in securities subject to corporate activity where the Adviser believes the market price does not adequately reflect the impact the corporate activity will have on the securities' valuation.

Kawa generally bases its investment decisions on internally generated research and, from time to time, on research obtained from outside sources. The Adviser attempts to take a mathematical approach to investing by evaluating the downside/upside potential, as well as, in the case of securities subject to extraordinary corporate activity, the probability of completion of each transaction in order to calculate the expected return. Kawa also attempts to minimize loss exposure in specific situations by having position size determined by downside potential as well as by engaging in stop-loss techniques.

Kawa pursues an active money management style designed to achieve capital appreciation independent of the cycles and returns normally found in the equity markets. Its investment philosophy is value- and event-oriented, specializing in the identification and analysis of securities that can benefit from extraordinary transactions. Merger Arbitrage entails mergers, acquisitions, hostile offers and leveraged buy-outs. Special Situations encompass securities subject to reorganizations, spin-offs, proxy contests, litigation and short sales. Deep-Value with Catalyst situations consist of securities subject to management change, shareholder activism, industry consolidation, clarification of operations, strategic change and shareholder turnover.

Kawa's strategy may from, time to time, employ leverage for investment purposes or to fund redemptions and may engage in short sales.

8.B. Material Risks of Investment Strategies

There can be no guarantee of success of the strategies offered by Kawa. Investment portfolios may be adversely affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, changes in laws and political

circumstances. These factors may affect the level and volatility of security pricing and the liquidity of an investment. These strategies do not employ limitations on particular sectors, industries or securities. Trading in the portfolios may affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short Selling. The Fund's strategy seeks opportunities to sell short the securities whose prices appear to be excessive in relation to prospective earnings growth or intrinsic value. Short sales are inherently risky because theoretically the potential loss from a short sale is unlimited, whereas the potential profit cannot exceed the amount of the investment. Short selling may be utilized because it can afford the opportunity to profit when securities become overpriced. Short selling may also be conducted through the use of derivatives and OTC instruments. Short positions generally are intended to protect against a declining market, but they may also be independently viewed as a profit opportunity.

Use of Leverage. Subject to market conditions and applicable regulations, the Fund may use substantial leverage in connection with investments in the underlying funds. Leverage is the use of borrowed funds to pay for a portion of the purchase price of an investment. Using leverage will maximize the initial amount of securities that the Fund will be able to purchase and potentially enhance the Fund's performance. The use of leverage, however, will add to the risk of the Fund's investments, as declines in the price of a security could result in a substantial loss of the Fund's investment in the security if the Fund is forced to sell the security as the result of a demand to repay any amounts borrowed. As with any leveraged investment, the Fund's use of leverage may result in losses in excess of the amount invested. Utilization of leverage will also increase the Fund's expenses due to the interest charges on the borrowed funds, thus potentially adversely affecting the Fund's performance.

Financing Risk. The Fund may be engaged in leveraged transactions in which it is dependent upon the counterparties to continuously finance the operations. Should a counterparty refuse to renew financing and no other financing becomes available, the assets of the Fund may be compromised.

Hedging Risks. The Fund may attempt to create "hedged positions" consisting of investments in a number of different instruments. The valuation models and trading techniques which will be used to determine the constituents of the "hedged position" are extremely complex, and the series of transactions required to create the "hedged position" are often difficult to execute. In some instances, during the process of setting up a hedged position, the position may remain temporarily unhedged for a significant period of time. The "hedged positions" will generally not be hedged against all known risks. For example, a

"hedged position" consisting of a long foreign convertible bond and a short position in the underlying stock is potentially exposed to changes in interest rates and foreign exchange rates. The Fund marks to market the restricted positions held in its portfolio once such positions have been hedged, giving rise to a possible risk to the Fund that the Manager may be compensated based on such restricted positions.

8.C. Material Risks of Securities Used in Investment Strategies

Kawa invests primarily in equity and debt securities, equity options, equity related convertible securities, interest bearing or interest rate sensitive marketable securities (including those issued or guaranteed by the United States Government or agencies or instrumentalities of the United States Government), forward contracts, swaps, derivatives, currencies and any other instruments which are traded in normal channels of trading for securities.

General Investment Risks

Overall Investment Risk. All investments risk the loss of capital. The investment techniques and strategies and the nature of the securities and/or instruments to be purchased and traded by the Funds may increase this risks. While the Manager will devote its best efforts to the management of the Funds' portfolios, there can be no assurance that the Fund will not incur substantial losses. Many unforeseeable events may cause sharp market fluctuations, which could adversely affect the Funds. Changes in the macroeconomic environment including, for example, interest rates, inflation rates, industry conditions, energy and commodity availability and prices, competition, technological developments, political events and trends, changes to tax laws, currency exchange rate, regulatory policy, employment and consumer demand and innumerable other factors, could substantially and adversely affect the performance of the Funds. The Fund's investments could also be materially adversely affected by natural disasters and terrorist acts. None of these conditions will be within the control of the Manager.

Investment Values. Units in the Funds are valued according to the market value of the underlying assets to which they correspond. The value of these interests can fall, as well as rise, as can the value of the Units in the Funds.

Trading Risks. One or more markets in which the Funds trade may move against the positions held by them, thereby causing substantial losses. Government policies, especially those of the U.S. Federal Reserve and foreign central banks, have profound effects on interest and exchange rate which, in turn, affect the value of the investments made by the Fund. Many other unforeseeable events, including actions by various government agencies,

natural disasters, terrorist acts, and domestic and international political events, may cause sharp market fluctuations.

Counterparty Risk. In its normal course of business, many of the Funds' assets are held with counterparties in margin accounts and/or as collateral for transactions that require margin ability. In the event of the insolvency of a counterparty, the assets of the Funds may be compromised, which may cause substantial losses to investors.

International Considerations. The Funds will be subject to fiscal and taxation policies, regulatory regimes including securities regulations, market and settlement practices and sovereign, political and economic risks of countries in which the Funds invest.

Equity Risk. Regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses.

Non-diversified Risk. Because the portfolios may invest a greater portion of its assets in securities of a single issuer or a limited number of issuers than a portfolio with diversification limitations, it may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers. From time to time a significant portion of the portfolio may be concentrated in a particular security, industry, market or country. Should such security, industry, market or country become subject to adverse financial conditions, the portfolio may not be afforded the protection otherwise available through greater diversification of its investments.

Illiquid securities. Markets which have traditionally been very liquid may suddenly lose liquidity, and the Fund may consequently be unable to sell its positions or unable to sell at fair value. Additionally, the Fund may acquire investments in securities that are already illiquid and, should there be an urgent need to sell, buyers may not emerge or may not emerge at fair value, causing an adverse effect on the Fund's performance.

Trading in Derivatives. In order to hedge its investments or to take a directional view on an investment in which no exchange-traded alternative exists, the Fund may invest a portion of its assets in derivatives and related instruments as tools in the management of its assets. A derivative is a security or other instrument which derives its value from the value or performance of other instruments or assets, interest or currency exchange rates, or indexes. Derivative products include futures contracts, options, forward contracts, structured notes and various other over-the-counter instruments.

Risks of Derivatives. The risks posed by derivatives include (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risks (adverse movements in the price of a financial asset or

commodity); (3) legal risks (an action by a court or by a regulatory or legislative body that could invalidate a financial contract); (4) operations risks (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risks (exposure to losses resulting from inadequate documentation); (6) liquidity risks (exposure to losses created by the inability to prematurely terminate a derivative); (7) systematic risks (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risks (exposure to losses from concentration of closely-related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risks (the risk that the portfolio has when it has performed its obligations under a contract but has not yet received value from its counterparty).

Futures and Options. As part of the Fund's hedging and investment strategy, the Fund may invest in the futures and options markets. Futures markets are highly volatile, and investments in futures may materially affect the profitability of the Fund. To the extent the Fund engages in transactions in futures contracts and options on futures contracts, the profitability of the Fund will depend to some degree on the ability of the Manager to analyze correctly the futures markets. The purchase or sale of an option involves the payment or receipt of a premium payment by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options when an investor does not own the respective underlying security, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security in excess of the premium payment received.

Futures Trading Is Speculative. Futures prices are highly volatile. Price movements for futures are influenced by, among other things, government trade, fiscal, monetary and exchange control policies; weather and climate conditions; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and psychological emotions of the market place.

Futures Trading Can Be Highly Leveraged. The low margin deposits normally required in futures trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a futures contract may result in immediate substantial loss or gain to the investor. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract were then closed out, result in a total loss of the margin deposit before the

deduction of any brokerage commissions. Thus, like other leveraged instruments, any futures trade may result in losses in excess of the amount invested. Any increase in the amount of leverage applied by the Manager in trading the Fund's account will increase the risk of loss of the Fund by the amount of additional leverage applied.

Futures Trading May Be Illiquid. Most United States exchanges limit fluctuations in most futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a particular futures contract has increased or decreased to the limit point, positions in the futures contract neither can be taken nor liquidated unless traders are willing to effect trades at or within the limit, which would be unlikely if underlying market prices moved beyond the limit. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. In addition even if futures prices have not moved the daily limit, the Manager may not be able to execute trades at favorable contracts if little trading in the contracts it wishes to trade is taking place. It is also possible that an exchange or the CFTC may suspend trading, order the immediate settlement of a particular contract or order that trading in a particular contract be conducted for liquidation purposes only. As a result of potential market illiquidity, no assurance can be given that in connection with the Fund reaching a trading suspension level, the Fund will be able to liquidate all open positions without incurring additional losses.

Commodity Futures Trading Is Highly Volatile. Commodity futures prices can be highly volatile. Price movements of commodity interests (including financial instruments) are influenced by, among other things, changing supply and demand relationships; weather; government agriculture, trade, fiscal and monetary programs and policies; national and international political and economic events; natural disasters; and changes in interest rates.

Commodity Futures Trading and Option Writing is Highly Leveraged. The low margin deposits normally required in commodity interest trading (typically 2-15% of the value of the contract purchased or sold) permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to an investor.

Commodity Futures Trading May Be Illiquid. It is not always possible in commodity futures markets to execute a buy or sell order at the desired price, or to close out an open position, due to market illiquidity. Such illiquidity may be caused by intrinsic market conditions (lack of demand or overabundant supply) or it may be the result of extrinsic factors like the imposition of daily price fluctuation limits (which set a floor and ceiling on

the price at which a trade may be executed) or circuit breakers (which halt trading in certain stock indexes whenever the Dow Jones Industrial Average or the S&P 500 Stock Index declines or rises by a certain number of points).

Failure of Commodity Brokers or Foreign Exchange Brokers; No SIPC Protection. Assets that are deposited as margin for commodity futures positions typically are held by one or more independent futures commission merchants ("FCM"). Although such margin funds are required to be held in segregated accounts by such FCMs, the failure of any such FCM may expose such deposited assets to the claims of such FCM's creditors or, at least, tie up such assets pending bankruptcy or other such proceedings involving the FCM. In addition, assets held with foreign exchange brokers are not subject to the Commodity Exchange Act and may not be maintained in segregated accounts. Assets deposited with FCMs or foreign exchange brokers will not be insured or otherwise protected by the Securities Investors Protection Corporation (SIPC).

Transactions by the Commodity Brokers. Since the identities of the purchaser and seller in a futures transaction are not disclosed until after the trade, the commodity broker may affect transactions for the account of the Manager in which the other parties to the transactions are officers, employees, or customers of the commodity broker trading for their own accounts. Such persons might also compete with the Manager in bidding on purchases or sales of futures contracts and might take positions similar to or opposite those taken by the Manager. This conflict of interest is inherent in any commodity broker-customer relationship.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading are substantially unregulated; there is not a limitation on daily price movements and speculative position limits are not applicable. These markets can experience periods of illiquidity, sometimes of significant duration. The imposition of controls by governmental authorities might also limit such forward trading. Neither the Commodity Futures Trading Commission nor banking authorities regulate forward currency through banks. There is the risk of bank failure or the inability or refusal by a bank to perform with respect to such contracts.

General Risks of Arbitrage Transactions. The success of arbitrage strategies depends often on the ability to execute two or more simultaneous transactions at desired prices. Should such transactions not be executed simultaneously at the desired prices, losses may be incurred on both sides of the transaction. Additionally, separate costs are incurred on both sides of an arbitrage transaction, and substantial favorable price moves may be

required before a profit can be realized. Merger arbitrage transactions are inherently volatile. The short-term performance of portfolio securities may fluctuate significantly. If the proposed transaction is not consummated or delayed, the value of such securities purchased may decline significantly.

Special Situations. Investments in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions are subject to the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. In connection with such transactions (or otherwise), securities may be purchased on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation or a merger, reorganization or debt restructuring.

Investments in these types of securities involve risk and the loss of capital. These strategies may not be suitable for all investors. Past performance is not indicative of future results. **Investing in securities involves risk of loss that clients should be prepared to bear.**

Risks related to the Private Funds

Private Fund strategies may involve short selling and leverage and do not employ limitations on particular sectors, industries, countries, regions or securities. Trading in the portfolios may affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Before purchasing an interest in the Private Fund managed by Kawa, investors should carefully consider various risk factors and conflicts of interest, as well as suitability requirements, restrictions on transfer and withdrawal of Interests and various legal, tax and other considerations, all of which are discussed the Private Fund's Confidential Private Placement Memorandum. An investment in the Private Fund involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their investment and who have limited need for liquidity in their investment. Investors in a private partnership, who are subject to income tax, should be aware that the investment in the partnership may create taxable income or tax liabilities in excess of cash distributions to pay such liabilities. Investors in the Private Funds (other than Kawa Fund) should pay particular attention to the risks associated with each. These portfolios will normally consist of a single investment or single type of investment.

General Risks for all Kawa clients and investors

Investments in these types of securities involve risk and the loss of capital. These strategies may not be suitable for all investors. Past performance is not indicative of future results. **Investing in securities involves risk of loss that clients should be prepared to bear.**

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of them or the integrity of their management. Kawa has no disclosure applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

10.A. No Registered Representatives

Kawa's management persons are not registered, nor do any management persons have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

10.B. No Other Registrations

Kawa is registered as a Commodity Pool Operator with the CFTC. Additionally, many of Kawa's management persons are Associated Persons of the Commodity Pool Operator and are therefore registered with the CFTC.

10.C. Material Relationships or Arrangements

Private Fund.

Kawa serves as the Manager and Managing Member to the The Kawa Fund Limited (the "Master Fund"), a British Virgin Islands Business Company jointly owned by the Kawa Onshore Feeder Fund, LLC, a domestic entity, and Kawa Offshore Feeder Fund Limited, a British Virgin Islands business company

An affiliate of Kawa serves as General Partner or Managing Member to other private funds that for which Kawa serves as Investment Manager.

Kawa does not receive additional advisory fees with respect to client assets that are invested in a Private Fund. Private Fund assets are subject only to the fund fees and charges applicable to all shareholders in the Private Fund, as set forth in the Private Fund offering documents.

Other Affiliates. Kawa Capital Partners, LLC is an affiliate that manages real estate projects and may offer other investment opportunities to certain investors of the private funds. These offers are not made to all investors.

Kawa and its affiliates may also have proprietary investments in funds managed by Kawa or its affiliates, and also in other vehicles, which may involve Kawa customers, or otherwise cause conflicts of interest in relation to competing for investments.

10.D. Recommendation of Other Investment Advisers

Kawa does not recommend or select other investment advisers for clients.

Item 11 – Code of Ethics

11.A. Code of Ethics Document

Kawa has adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1. A basic tenet of Kawa's Code of Ethics is that the interests of clients are always placed first. The Code of Ethics includes standards of business conduct requiring covered persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. The Code also requires that all covered persons comply with ethical restraints relating to clients and their accounts, including restrictions on gifts and provisions intended to prevent violations of laws prohibiting insider trading. You may obtain a copy of our Code of Ethics by contacting the firm at (305) 722-7350.

11.B. Recommendations of Securities and Material Financial Interests

As a matter of policy, Kawa does not engage in principal transactions, cross trading or agency cross transactions. Any exceptions to this policy must be approved in advance by the Chief Compliance Officer or by his or her designee. A copy of Kawa's Code of Ethics is available to any client or prospective upon request. An affiliate of Kawa is the investment manager and general partner to the privately offered, pooled investment vehicles which comprise a master feeder complex as described in Item 7 above and there could be a conflict of interest as they recommend investment in the Private Funds. Kawa may also have a conflict of interest related to performance fees charged to investors in the Private Funds. Please refer to Item 6 of this document which provides details on the conflict and how Kawa addresses the conflict.

11.C. Personal Trading

Kawa has adopted a Code of Ethics to ensure that personal investing activities by Kawa's employees are consistent with Kawa's fiduciary duty to its clients. The Code of Ethics

includes standards of business conduct requiring covered persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. For purposes of its Code of Ethics, Kawa has determined that all employees are Access Persons.

In order to avoid potential conflicts that could be created by personal trading among Kawa Access Persons, the Code of Ethics restricts the purchase and sale by Access Persons for their own accounts of any covered security within a specified time before or after the execution of a transaction in any such security for clients, or for certain dollar amounts. All Access Persons are required to notify Kawa's Chief Compliance Officer ("CCO") or his designee in order to pre-clear personal securities transactions in specified securities, including IPOs and limited offerings.

All employees are required to submit quarterly personal securities transactions and annual holdings reports to the Chief Compliance Officer, who will, in turn, review these reports for trading conflicts with client accounts. Employees are also required to have copies of all brokerage statements sent to the Chief Compliance Officer, directly from the custodian(s), on, at least, a quarterly basis. The Chief Compliance Officer will maintain documentation of personal securities transactions, including any violations that occur and their resulting actions.

The Code also requires that all covered persons comply with ethical restraints relating to clients and their accounts, including restrictions on gifts and provisions intended to prevent violations of laws prohibiting insider trading.

11.D. Timing of Personal Trading

All Access Persons are required to notify Kawa's Chief Compliance Officer ("CCO") or his designee in order to pre-clear personal securities transactions. The price paid or received by a Client account for any security should not be affected by a buying or selling interest on the part of an Access Person, or otherwise result in an inappropriate advantage to the Access Person. Pre-clearance of personal transactions is not required by Access Persons for transactions less than \$25,000, in securities that are not included on the restricted or black-out lists.

Since Kawa's Access Persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that Kawa or a related person recommends to clients, no Access Persons shall buy or sell a Reportable Security in the three business days prior to, or following, any trades made in the same security for Client accounts. This blackout period can be waived by the CCO for trades in equities (or related securities, e.g., warrants, options or futures) that are less than \$25,000, based on a determination that client accounts should

not be harmed and that there is no advantage likely to be gained by the Access Person. Fixed income securities transactions, or series of related transactions, involving 100 units (\$100,000 principal amount) or less in the aggregate, if the Access Person has no prior knowledge of transactions in such securities on behalf of a Client. Access Persons trades may be aggregated with client trades, as long as Kawa believes that it does not create a conflict of interest with clients.

Item 12 – Brokerage Practices

12.A. Selection of Broker/Dealers

Kawa's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its accounts' portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. In applying these factors, Kawa recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities. The factors include, but are not limited to:

- Kawa's knowledge of negotiated commission rates and spreads currently available;
- the nature of the security being traded;
- the size and type of the transaction;
- the nature and character of the markets for the security to be purchased or sold;
- the desired timing of the trade and speed of execution;
- the activity existing and expected in the market for the particular security;
- the broker-dealer's access to primary markets and quotation sources;
- the ability of the broker dealer to effect transactions when a large block of securities is involved or where liquidity is limited;
- confidentiality;
- the execution, clearance and settlement capabilities and history as well as the reputation and perceived soundness of the broker-dealer selected and others which are considered;
- Kawa's knowledge of actual or apparent operational problems of any broker-dealer;
- the broker-dealer's execution services rendered on a continuing basis and in other transactions;
- the broker-dealer's access to underwriting offerings and secondary markets;
- the broker-dealer's reliability in executing trades, keeping records and accounting for and correcting trade errors;
- the broker-dealer's ability to accommodate Kawa's needs with respect to one or more trades including willingness and ability to maintain quality execution in

unusual or volatile market conditions and to commit capital by taking positions in order to complete trades;

- the quality of communication links between Kawa and the broker-dealer; and
- the reasonableness of spreads or commissions.

Research and Other Soft Dollar Benefits

Kawa may receive research from brokers in connection with *client* securities transactions. Although Kawa does not directly receive money, this may be viewed as a “soft dollar” relationship. The Adviser will limit the use of this benefit to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)”). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services.

When the Adviser participates in this practice to obtain Section 28(e) eligible research and brokerage products and services, the Adviser’s Best Execution Committee meets periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage and research. This determination will generally be viewed in terms of Kawa’s overall responsibilities to its client accounts.

The use of client commissions (or markups or markdowns) to obtain research raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

Brokerage for Client Referrals

Kawa does not maintain any referral arrangement with broker/dealers.

Directed Brokerage

While Kawa generally selects broker-dealers for separately managed client accounts, Kawa may accept, in limited instances, direction from clients as to which broker-dealer is to be

used. If the client directs the use of a particular broker-dealer, Kawa asks that the client also specify in writing (i) general types of securities for which a designated firm should be used and (ii) whether the designated firm should be used for all transactions, even though Kawa might be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Clients, who, in whole or in part, direct Kawa to use a particular broker-dealer to execute transactions for their accounts should be aware that, in so doing, they may adversely affect Kawa's ability to, among other things, obtain volume discounts on bunched orders or to obtain best price and execution by, for example, executing over-the-counter stock transactions with the market makers for such securities. Kawa also cannot guarantee execution of trades that are directed to a certain broker.

Additionally, as noted above, transactions for a client that directs brokerage are generally unable to be combined or "bunched" for execution purposes with orders for the same securities for other accounts managed by Kawa. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the bunched order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Kawa could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Consequently, best price and execution may not be achieved.

12.B. Aggregation of Orders

Kawa may determine that, in making investment decisions for client accounts, securities considered for investment by one account may also be appropriate for another account managed by Kawa. On occasions when the purchase or sale of a security is deemed to be in the best interest of more than one account, Kawa may, but is not be obligated to, aggregate or "batch" orders for the purchase or sale of securities for all such accounts to the extent consistent with best execution and the terms of the relevant investment advisory agreements. Such combined or "batched" trades may be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges.

Kawa may combine orders for the purchase and sale of securities on behalf of investment advisory clients, including accounts and collective investment vehicles in which Kawa or its associated persons might have an interest, subject to the following conditions:

- fully disclose aggregation policies to all clients;
- do not favor any advisory account over any other managed account;
- give individual investment advice to each account;

- each participating account receives the average sales price for each trading day;
- combine trades only if consistent with duty to seek best execution and with the terms of the relevant clients' investment advisory agreements; and
- specify the participating accounts and the relevant allocation method in writing before entering an aggregated order.

Aggregation of transactions will occur only when Kawa believes that such aggregation is consistent with Kawa's duty to seek best execution and best price for clients and is consistent with Kawa's investment advisory agreement with each client for which trades are being aggregated.

Directed brokerage clients may be unable to participate in batched transactions. Kawa generally will not aggregate trades for clients that may have limited Kawa's brokerage discretion or other client accounts that it manages to the extent that those clients have directed their brokerage to a particular broker-dealer. Not aggregating may result in higher costs or less favorable execution. Orders for such clients will generally be aggregated only with similar clients and allocated in the same manner as described above. The same manual process described above will be implemented for these accounts if random allocation would result in a partial fill for the last account selected.

Kawa may include proprietary accounts (including the Private Funds in which Kawa or its affiliates may have significant ownership interest) in such aggregate trades subject to its duty to seek best execution and obligations under its Code of Ethics.

Trade Errors

It is the policy of Kawa that the utmost care is taken in making and implementing investment decisions of behalf of client accounts. However, on those occasions when such an error does occur, Kawa will reasonably determine how to correct the error. In general, if the trade error results in losses, such losses will not be reimbursed.

Item 13 – Review of Accounts

13.A. Frequency and Nature of Review

Daniel Ades and Alexandre Saverin, both Principals of Kawa, are responsible, and have ultimate authority for, all trading and investment decisions made for the client portfolios. At least monthly, client accounts are reviewed to ensure compliance with client objectives and restrictions and to evaluate portfolios with regard to stated investment strategies and current market conditions.

13.B. Factors That May Trigger An Account Review Outside of Regular Review

Generally, client accounts are reviewed, as needed, depending on factors such as cash flows, changes in client objectives or restrictions, or changing market conditions.

13.C. Content and Frequency of Reports

At least quarterly, account statements are furnished by the custodian to the advisor and client and a portfolio manager will meet with such clients when requested or at other times as may be mutually agreed upon by Kawa and the client. Such meetings may be conducted in person or via teleconference. Kawa urges clients to carefully review the custodian statement provided for their account. Private fund investors receive statements from their respective administrators.

In addition, the Private Fund clients are provided, on at least a quarterly basis, with newsletters and fact sheets created by Kawa.

Item 14 – Client Referrals and Other Compensation

14.A. Compensation from Non-Clients

Kawa does not currently receive compensation from any non-clients.

14.B. Client Referrals and Other Compensation

Kawa does not currently maintain referral arrangements with individuals who may be compensated, directly or indirectly, in compliance with applicable law.

Item 15 – Custody

Kawa is deemed to have custody, according to Advisers Act Rule 206(4)-2 (“Custody Rule”), because they, or an affiliate, serve in the capacity of a General Partner to Private Funds. However, client assets and securities managed by Kawa, for separately managed accounts and Private Fund accounts, are held at independent, qualified custodians. Kawa has entered into a written agreement with an independent public accountant to provide audited financial statements to the Private Fund’s investors within 120 days following the fund’s fiscal year end.

Separately managed account clients will receive statements directly from their account custodian at least quarterly. We urge clients to carefully review those statements and compare them to the account statements we may provide to them. Investors in the Kawa Fund will receive statements from the administrator to the Private Fund. Due to the nature

of the investments in the other Private Funds, investors may not receive regular statements.

Item 16 – Investment Discretion

Kawa is retained on a discretionary basis and is authorized to make the following determinations in accordance with the client's specified investment objectives without client consultation or consent before a transaction is effected:

- Which securities to buy or sell.
- The total amount of securities to buy or sell.
- The broker or dealer through whom securities are bought or sold.
- The commission rates at which securities transactions for client accounts are affected.
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Investments for Private Funds are managed in accordance with each fund's investment objective, strategies, restrictions, and are not tailored to the individualized needs of any particular investor in the fund. Therefore, Investors should consider whether the fund meets their investment objectives and risk tolerance prior to investing. Information about each Private Fund can be found in its offering documents, including its private placement memorandum, which will be available to current and prospective investors only through Kawa or another authorized party.

Kawa assumes discretion over the account upon execution of the advisory agreement with the client.

Item 17 – Voting Client Securities

Kawa is responsible for voting client proxies and has developed a written policy and procedures governing its activities in this area. In general, the policy requires Kawa to vote client proxies in the interest of maximizing investor/shareholder value. In addition, Kawa maintains a record of proxy votes cast on behalf of clients.

Circumstances may arise wherein Kawa may have a conflict of interest in voting proxies on behalf of its clients. Kawa informs its affiliates and employees that they are under an obligation to be aware of potential conflicts of interest (both as a result of the Employee's personal relationships and Kawa's business), and that such conflicts of interest should be brought to the attention of the Compliance Officer. Votes shall be cast in the best interests of Kawa's clients, regardless of the effect of any such vote on Kawa.

Kawa shall make its proxy voting policy and records available to its clients and investors upon request by contacting Carlos Felipe Lemos at Felipe@KawaCapital.com or calling (305) 722-7350.

If Client requests that Adviser vote proxies on its behalf and Adviser accepts responsibility for proxy voting, then established proxy voting guidelines will be followed. Any proxy solicitations that may result from a holding in a client portfolio will be sent to the client. Clients may contact Adviser if they have questions about a particular proxy solicitation at the number above.

Item 18 – Financial Information

18.A. Advance Payment of Fees.

Kawa does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

18.B. Financial Condition

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Kawa has no financial commitments that impair its ability to meet contractual commitments and fiduciary commitments to clients.

18.C. No Bankruptcy Proceedings

Kawa has not been the subject of a bankruptcy proceeding.