

Lakewood Capital Management, LP

Part 2A of Form ADV

The Brochure

650 Madison Avenue, 25th Floor
New York, NY 10022

www.lakewoodlp.com

February 2015

This brochure provides information about the qualifications and business practices of Lakewood Capital Management, LP (“Lakewood” or the “Investment Manager”). If you have any questions about the contents of this brochure, please contact us at 212-584-2210. 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 Lakewood is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Summary of Material Changes

Lakewood’s most recent update to Part 2 of Form ADV was made in January 2014. Lakewood’s business activities have not changed materially since the time of that update.

Table of Contents

Summary of Material Changes	2
Table of Contents	2
Advisory Business	2
Fees and Compensation	3
Performance Based Fees and Side-by-Side Management	4
Types of Clients	5
Methods of Analysis, Investment Strategies and Risk of Loss	5
Disciplinary Information	8
Other Financial Industry Activities and Affiliations	8
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
Brokerage Practices	9
Review of Accounts	11
Client Referrals and Other Compensation	11
Custody	11
Investment Discretion	11
Voting Client Securities	11
Financial Information	12

Advisory Business

Lakewood, a Delaware limited partnership, and Lakewood Capital Advisors, LLC (“LC GP” or the “General Partner”), a Delaware limited liability company, were formed in January 2007 to serve as investment manager and general partner, respectively, to Lakewood Capital Partners, LP (“LC LP”), a private investment fund organized as a Delaware limited partnership, which commenced investing on July 2, 2007. Lakewood also serves as the investment manager to Lakewood Capital Offshore Fund, Ltd. (“LC Ltd”), a Cayman Islands exempted company, which commenced investing on July 2, 2007. LC Ltd invests substantially all of its assets in LC LP through a master-feeder structure. Therefore, all investing is done at the LC LP level. Together, LC LP and LC Ltd are referred to herein as the “Funds.”

At their formation, the Funds received a strategic investment from Reservoir Capital Group (“Reservoir”), a private investment firm. Lakewood is majority owned and controlled by Lakewood Capital Management (GP), LLC (“LC GP LLC”). LC GP LLC is owned by Anthony T. Bozza and William L. Jackson, Junior (the “Senior Investment Team”). Mr. Bozza is the Managing Member of LC GP LLC. The General Partner is majority owned and controlled by Bozza Jackson Holdings, LLC (“BJ Holdings”). BJ Holdings is owned by Messrs. Bozza and Jackson. Mr. Bozza is the Managing Member of BJ Holdings. In conjunction with their strategic investment, Reservoir holds a passive minority interest in Lakewood and the General Partner.

Lakewood invests the Funds in equity (both long and short equity) and fixed income securities. Lakewood seeks to capitalize on the best risk/reward opportunities. In addition, Lakewood believes that concentrating the Funds' capital on the Investment Manager's best ideas leads to the best outcomes. Therefore, Lakewood may take concentrated positions in securities.

Lakewood provides investment advice directly to each Fund and not individually to the shareholders ("Investors" or "Limited Partners") of the Funds. The General Partner manages the Funds' assets in accordance with the terms of the governing documents applicable to each Fund.

The Funds and the General Partner may from time to time enter into agreements with one or more prospective Limited Partners whereby in consideration for agreeing to invest certain amounts in the Funds or other consideration deemed material by the General Partner, such Limited Partners may be granted favorable rights not afforded to other Limited Partners, generally. Such rights may include one or more of the following: special rights to make future investments in the Funds, other investment vehicles or managed accounts, as appropriate; special withdrawal rights, relating to frequency, notice and/or other terms; rights to receive reports from the Funds on a more frequent basis or that include information not provided to other Limited Partners (including, without limitation, more detailed information regarding portfolio positions); rights to receive reduced rates of the Incentive Allocation and/or the management fee; and such other rights as may be negotiated between the Funds, the General Partner and such Limited Partners. In this regard, the Funds and the General Partner may enter into such agreements without the consent of or notice to the existing Limited Partners. No other Limited Partner shall be entitled to participate in any such special arrangement without the approval of the General Partner. The General Partner shall have no obligation to offer any special arrangement to any other Limited Partner, and no Limited Partner that is not offered any such special arrangement shall have any right or claim against the General Partner or the Limited Partner in relation to such special arrangement.

As of December 31, 2014, Lakewood's assets under management were approximately \$3,059,000,000 on a discretionary basis on behalf of 2 clients.

Fees and Compensation

Management Fees

As compensation for investment advisory services rendered to the Funds, Lakewood deducts a quarterly management fee calculated at the annual rate of 1.5% of each Limited Partner's capital account. The management fee is paid quarterly in advance based on the value of each Limited Partner's capital account as of the first day of each calendar quarter (adjusted for contributions made during the quarter). If a Limited Partner redeems from the Funds, the management fee will be prorated for any period that is less than a full fiscal quarter and will be deducted in calculating the net profit or net loss of the Fund. The General Partner, in its sole discretion, may waive or modify the management fee for Limited Partners that are members, employees or affiliates of the General Partner or the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Incentive Fees

For any fiscal year in which a Limited Partner has a net profit, the General Partner will be entitled to an incentive fee equal to 20% of such net profit (including realized and unrealized gains) which

will be deducted from the Limited Partners capital account at the end of each fiscal year. Under a loss carry forward provision contained in the Limited Partnership Agreement, no incentive fees will be made from the capital account of a particular Limited Partner until any net loss previously allocated to the capital account of such Limited Partner has been offset by subsequent net profits. Any such loss carry forward will be subject to reduction for withdrawals on a pro rata basis. In the event that a Limited Partner withdraws capital (in whole or in part) or retires at any time other than at the end of a fiscal year, such deduction will be made with respect to such Limited Partner as though it were being made at the end of a fiscal year; provided, however, that in the case of a partial withdrawal, the General Partner may, in its sole discretion, elect to delay the deduction of the incentive fee until the end of the fiscal year. The General Partner, in its sole discretion, may waive or modify the incentive fee for Limited Partners that are members, employees or affiliates of the General Partner or the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Withdrawal Fee

Limited Partners may, upon at least 60 days' prior written notice, withdraw all or any portion of its capital account attributable to a particular capital contribution as of the last day of the calendar quarter during which the one-year anniversary of such contribution occurs. Limited Partners will be charged a 3% withdrawal fee that is payable to the Fund if they withdraw prior to the one-year anniversary. The General Partner, in its sole discretion, may waive or modify the conditions relating to withdrawals for Limited Partners that are members, employees or affiliates of the General Partner or the Investment Manager, relatives of such persons, and for certain large or strategic investors. Limited Partners will not be permitted to make any withdrawals from their side-pocket accounts. Please refer to the Funds' offering documents for additional information regarding Limited Partner withdrawals.

Expenses

The Funds are responsible for certain expenses including the following: management fees; Fund legal, compliance, administrator, audit and accounting fees and expenses (including third party accounting services); organizational expenses; investment expenses such as commissions, research fees and expenses (including research-related travel expenses); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs; and any other expenses related to the purchase, sale or transmittal of Fund assets (please refer to the *Brokerage Practices* section below for brokerage disclosures). Expenses related to research, execution and related services furnished or paid for by brokers falling within the "safe harbor" under Section 28(e) of the Securities and Exchange Act of 1934, as amended, may be paid through soft dollars, and Fund expenses may also be paid through soft dollars.

Performance Based Fees and Side-by-Side Management

As disclosed above in the *Fees and Compensation* section, the Funds pay incentive fees based on generating profits. These fees may create an incentive for the General Partner of the Funds to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such carried interest were not allocated to the General Partner. Lakewood has adopted and implemented written compliance policies and procedures that are designed to address the above conflicts of interest. Further, as a

fiduciary, Lakewood recognizes its duties to act in good faith and with fairness in all of its dealings with the Funds.

Types of Clients

Lakewood provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds, subject to the direction and control of the general partner of such Fund and not individually to the Limited Partners. Investors in the Funds may include, but are not limited to, high net worth individuals, pension plans, endowments, foundations, trusts, estates or charitable organizations, and corporate or business entities.

Details concerning applicable investor suitability criteria are set forth in the respective Fund's offering documents and subscription materials. Although Lakewood and/or its affiliates have the authority to accept subscriptions for lesser amounts, the minimum initial investment in the Funds is generally \$1 million, and the minimum subsequent investment is \$250,000. Each Limited Partner is required to meet certain suitability qualifications, such as being an "accredited investor" and "qualified purchaser" within the meaning set forth in Regulation D under the Securities Act 1993, as amended.

Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis

Lakewood focuses on finding mispriced securities for the Funds. The Investment Manager focuses its efforts on securities that are likely to be affected by factors that give rise to pricing inefficiencies based on its experience and judgment. Lakewood's investment team has together analyzed and researched several hundred investment opportunities, resulting in a productive idea generation process. In addition to generating ideas from the numerous companies that Lakewood has followed over many years, the Investment Manager is always searching for interesting opportunities in areas such as stock overreactions, companies undergoing change or restructurings, spin-offs/IPOs and securities that are affected by technical factors (such as forced selling, momentum or limited liquidity). Lakewood's ideas for short positions are generally catalyst-driven and are focused on securities that are undergoing extreme pricing distortions and Lakewood suspects that the positions are likely to re-price quickly. Most of the Funds short positions fall into two categories: (i) companies undergoing temporary changes in earnings power that are mistaken for secular growth by a momentum (often retail-oriented) shareholder base and (ii) companies engaged in deceptive or fraudulent behavior in an attempt to mask businesses that possess little or no economic value. Lakewood regularly searches for companies that possess the tell-tale signs that make a profitable short such as a surge in retail buying, momentum buying, sudden changes in earnings or margins, insider selling and valuation distortions when measured against assets, employees, and other factors.

Investment Strategy

Lakewood employs a fundamental investing approach that seeks to exploit inefficient pricings in equities (both long and short equity positions) and fixed income securities. Lakewood seeks to capitalize on the best risk/reward opportunities across many diverse industries, geographies and securities. A summary of each investment strategy is described below:

Long Equity: Long equity positions generally consist of those securities that Lakewood believes will have the potential for significant capital appreciation over a multi-year horizon with a minimal degree of capital loss. The common themes of long equity investment opportunities consist of companies that are out of favor, subjected to forced selling or liquidation, complex, undergoing change or uncertainty, misunderstood or underappreciated by the market. Target investments are typically companies with severe price declines, spin-offs, initial public offerings, under-followed companies, restructurings, reorganizations and companies with hidden assets.

Short Equity: Short equity positions generally consist of those securities that Lakewood believes are trading at significant premiums to intrinsic value and are likely to decrease in value in the near to intermediate-term. Lakewood tends to focus our short equity strategy in two areas: (i) companies that are undergoing temporary increases in earnings that Lakewood believes are being misinterpreted by the market as secular or permanent increases in the earnings power of the businesses or (ii) companies with deceptive practices and/or misleading or fraudulent management teams.

Long Fixed Income: Fixed income positions generally consist of securities where Lakewood can earn attractive cash returns on its investment or establish an attractive post-reorganization equity buy-in price, providing for equity-like returns with a good risk profile. Lakewood invests in stressed high grade bonds, high yield/distressed bonds, convertible notes/bonds and preferred stock. These positions are typically found in companies that are out of favor, subjected to forced selling or liquidation, undergoing an industry rationalization or fixing their capital structure despite relatively healthy underlying operations.

Risk of Loss

The list of risks described below is not all inclusive. Limited Partners should also review the *Risk Factors* section of the Fund's Confidential Private Offering Memorandum for additional information.

Investing in securities is inherently risky. An investment in individual securities or in a portfolio of securities could lose money. The investments selected by Lakewood should be deemed speculative investments and are not intended as a complete investment program. These types of investments are designed for sophisticated investors who fully understand and are capable of bearing the risk of loss of their entire investment. Lakewood cannot give any guarantee that it will achieve its investment objectives or that any client will receive a return of its investment.

Use of Leverage – The Funds may utilize leverage which results in the Funds controlling substantially more assets than the Funds have equity. Leverage increases the Funds' returns if the Funds earn a greater return on investments purchased with borrowed funds than the Funds' cost of borrowing such funds. However, the use of leverage exposes the Funds to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Funds not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Funds' cost of borrowing. In the event of a sudden, precipitous drop in value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

Small to Medium Capitalization Companies - The Fund may invest a portion of its assets in the stocks of companies with small to medium-sized market capitalizations. While the General Partner believes these investments often provide significant potential for appreciation, these stocks, particularly smaller capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Derivatives - To the extent that the Funds invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, Lakewood may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the respective Fund, and hence Lakewood should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

IPOs - Lakewood may purchase for clients securities that are part of an initial public offering ("IPOs"). Underwriters may not sell such IPO securities to certain persons, including brokers or people associated with brokers. Certain Investors in the Funds may be ineligible to participate in Lakewood's investments in IPO securities, therefore, some investors may not participate in any gain or loss associated with any IPO securities.

Foreign Securities - Lakewood may invest the Funds in non-U.S. securities and other assets, which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non-U.S. issuers and markets are subject. These risks include political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels and limitations on the use or transfer of assets. In addition, enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.

Short selling - Lakewood may participate in short selling securities in the Funds' portfolio. Short selling involves selling a security that the Funds do not own. Lakewood borrows the security that is sold short in hopes of purchasing the security at a later price to repay the lender of the security. If a security that is sold short rises in price, the short seller will lose money. Because there is no limit on how much a security's price may rise, securities sold short are subject to unlimited risk of loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Lack of Diversification - The Funds' portfolio may not be widely diversified among sectors, industries, geographic areas or types of securities. Further, the Funds' portfolio may not necessarily be diversified among a wide range of issuers. Accordingly, the Funds' portfolio may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wide diversification among companies or industry groups.

Dependence on Key Manager - The Funds are dependent on the continued service and active trading efforts of its key managers and employees, particularly Mr. Bozza. If the services provided by Mr. Bozza were to discontinue or lapse for any reason, the Funds would likely be adversely affected.

Disciplinary Information

Lakewood and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Lakewood is affiliated with the General Partner that provides investment management services, however the General Partner is not registered as an investment adviser with the United States Securities and Exchange Commission ("SEC"). The General Partner is described in the *Advisory Business* section above. Lakewood or the General Partner will be responsible for all decisions regarding portfolio transactions of the Funds and has full discretion over the management of the Funds' investment activities. While the General Partner is not registered as an investment adviser, all of the investment advisory activities are subject to the Investment Advisers Act of 1940 and the rules thereunder. In addition, employees and persons acting on behalf of the General Partner are subject to the supervision and control of Lakewood. Thus, the General Partner, all of its employees and the persons acting on its behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the General Partner.

Reservoir made a strategic investment in and a long term commitment to the Funds. Reservoir has been involved in the creation and development of numerous successful investment partnerships and offers valuable experience, insights and business relationships. Reservoir managed funds are non-managing members of the General Partner and limited partners of the Investment Manager and has no control over the investment decisions or management of the Funds, except with regards to certain limited approval rights.

Other than the relationships described above, neither Lakewood nor the General Partner has any other business activities or affiliations.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Lakewood has adopted a written code of ethics (the "Code") that is applicable to all employees. Among other things, the Code requires Lakewood and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report their personal securities transactions. Lakewood's restrictions on personal

securities trading apply to officers, directors, employees, and employees' family members living in the same household. A copy of Lakewood's Code is available upon request.

Lakewood and its employees may not effect transactions for their own accounts in any security (with the exception of certain securities such as money market accounts, highly rated fixed income securities, ETF's and mutual funds).

If any employee directly or indirectly owns any restricted security as of the date he or she joins Lakewood, he or she has the option to keep those securities and needs the Compliance Officers approval before they are sold. The Compliance Officer may approve the transaction if the Compliance Officer concludes that the transaction would comply with the provisions of this Code and is not likely to have any adverse economic impact on clients.

The Chief Compliance Officer also monitors employee trading, relative to trading by the Funds, to ensure that employees do not engage in improper transactions.

The Code also includes restrictions designed to supervise the giving or receiving of gifts and entertainment, and employees' outside business activities. The Code also requires Lakewood and its Employees to pre-clear certain political donations. Policies and procedures for reporting, investigating, and treating violations are included in the Code.

Brokerage Practices

Soft Dollar Benefits

Lakewood receives certain products and services from brokers free of charge or at discounted rates. These products and services are expenses related to research, execution and related services furnished or paid for by brokers falling within the "safe harbor" under Section 28(e) of the Securities and Exchange Act of 1934, as amended, are paid through soft dollars. The General Partner uses commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Research and brokerage services may include, but are not limited to, proprietary or third-party 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 brokers on order execution; and certain proxy services.

Lakewood does not believe that the Funds bear any additional costs in connection with its receipt of the products and services. Furthermore, the broker's provision of these products and services is not contingent upon Lakewood formally committing any specific amount of business to the brokers that provide the products and services. However, Lakewood would not receive these products and services if the Funds' accounts were not traded or held in custody by the respective brokers. When Lakewood uses Fund brokerage commissions (or markups or markdowns) to obtain research or other products or services, Lakewood receives a benefit because it does not have to produce or pay for the research, products or services. Lakewood's receipt of these products and services creates a conflict of interest in connection with Lakewood's

recommendation of the brokers who are providing the products and services. Lakewood may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than in the Funds' interest in receiving most favorable execution. Brokerage and research products and services obtained with soft dollars may be of value to Lakewood in advising all of the Funds. The soft-dollar benefits received by the Funds are in direct proportion to the soft dollar credits that are generated by the Funds.

Best Execution Reviews

Lakewood has a duty to seek "best execution" for the Funds' securities transactions. Lakewood seeks to execute securities transactions in such a manner that the Funds' total cost or proceeds in each transaction is the most favorable under the circumstances. Lakewood considers both quantitative and qualitative factors when seeking best execution including the value of research provided and execution capability, commission rate, financial responsibility, and responsiveness.

Lakewood generally trades highly liquid equity securities via an algorithm through its order management system ("OMS"). Lakewood generally uses OMS algorithms since their commission rates are typically lower than traditional brokers. In selecting a broker to effect a less liquid equity trade, fixed income trade, credit default swap trade or equity option trade, the Investment Manager considers a number of relevant factors, including, but not limited to price quotes; the size of the transaction and ability to find liquidity; the broker's promptness of execution; confidentiality considerations; the nature of the market for the financial instrument; the timing of the transaction; difficulty of execution; the broker's expertise in the specific financial instrument or sector in which the Funds seek to trade; the extent to which the broker makes a market in the financial instrument involved or has access to such markets; the broker's financial stability; reputation for diligence, fairness and integrity; quality of service rendered by the broker in other transactions for the Investment Manager; the broker-dealer's willingness to correct errors and other factors deemed appropriate. Brokers are reviewed by Lakewood at least annually.

Trading Errors

Lakewood seeks to detect trade errors prior to settlement and to correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a third party, such as a broker, Lakewood will strive to recover any losses associated with the error from that third party. The Funds will be responsible for any losses resulting from trading errors and similar human errors so long as they fall within the indemnification standard in the respective Fund's management agreement. Any gains relating to trading errors will be credited to the Funds. In correcting trade execution errors, the following procedures apply: (i) errors are corrected as soon after discovery as is reasonably practical, (ii) errors are reported to the Senior Investment Team promptly upon discovery and (iii) the CFO and the Senior Investment Team are required to approve or ratify the resolution of all trade errors.

Client Referrals

Lakewood does not compensate any custodian or broker/dealers for referring clients.

Order Aggregation

As previously mentioned, LC Ltd invests substantially all of its assets in LC LP through a master-feeder structure. Therefore, all investing for the Funds is done at the LC LP level.

Review of Accounts

The General Partner regularly reviews its individual investments and the Funds' portfolio in general in light of facts and circumstances at that time. This process includes analyzing financial and operating performance of the portfolio companies, reviewing all relevant public information as it becomes available, studying company and competitive behavior and engaging in proactive management discussions. The General Partner utilizes this information to ensure in its best judgment the portfolio is concentrated on the most attractive investments. The General Partner believes its careful portfolio monitoring and speed to adjust its assumptions to new information play a critical role in reducing the risk of capital loss.

Lakewood shall communicate with and update Investors about the Funds' portfolio on a monthly basis. Specifically, the Investors will receive monthly performance and exposure reports and capital account statements. Lakewood also provides Investors with quarterly and annual investor letters; annual tax information; and the Funds' audited financial statements prepared in accordance with generally accepted accounting principles.

Client Referrals and Other Compensation

Lakewood may periodically engage third party placement agents (i.e., solicitors) to introduce prospective investors to the Funds. Lakewood does not currently use a placement agent. Lakewood had previously entered into agreements with a solicitor to introduce foreign investors to the Funds. A percentage amount of incentives fees is paid to placement agent up to a maximum of a percentage of the capital committed to the Fund. Lakewood is responsible for paying the fees incurred with the engagement of the placement agent.

Custody

Lakewood has access to client accounts since it or an affiliate serves as the General Partner of the Fund. Limited Partners will not receive statements from any custodians. Instead the Funds are subject to an annual audit and the audited financial statements are distributed to each Limited Partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year end.

Investment Discretion

The General Partner of the Funds generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds. The General Partner's discretionary authority is provided through execution of an investment advisory agreement with the Funds. Any limitations on authority are included in the Funds' Private Offering Memorandum, Limited Partnership Agreement, and other governing documents.

Voting Client Securities

Proxy Voting

Lakewood accepts authority to vote proxies for clients' securities holdings. In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, Lakewood has adopted and implemented written policies and procedures governing the voting of client

securities. All proxies that Lakewood receives will be treated in accordance with these policies and procedures. Clients may not direct proxy voting for particular solicitations.

Lakewood will vote proxies in the best interests of its Clients. Lakewood considers the reputation, experience, and competence of a company's management and board of directors when it evaluates a prospective investment. Generally, Lakewood will vote in favor of routine corporate matters, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock. For other proposals, Lakewood shall determine whether a proposal is in the best interests of its Clients and may take into account the following factors, among others: whether the proposal was recommended by management and Lakewood's opinion of management; whether the proposal acts to entrench existing management; and whether the proposal fairly compensates management for past and future performance. Lakewood supplements its evaluation of client proxies with guidance from an independent proxy voting firm. Lakewood may abstain or affirmatively decide not to vote a proxy where Lakewood believes it is in the best interest of the Funds, considering such factors as costs and legal restrictions.

Lakewood's written policies and procedures require the Investment Manager to identify and address material conflicts of interest between Lakewood and the Funds. If Lakewood identifies a material conflict of interest it will follow the voting recommendation of the independent corporate governance consulting firm that it has retained.

A copy of Lakewood's proxy voting policies and procedures, as well as specific information about how Lakewood has voted in the past, is available upon written request.

Class Actions

To the extent that Lakewood has authority, pursuant to the governing documents of the Funds, to deal with class action claims ("Claims") it will do so on a case-by-case basis. Once Lakewood receives a Claim, the Compliance Officer will determine whether the Funds owned the security during the period covered by the Claim. In evaluating the Claim, Lakewood will decide whether or not to participate in the Claim depending upon (i) the nature of the Claim; (ii) prospects for recovery; (iii) resources required to pursue the Claim and (iv) other relevant factors pertaining to the particular Claim.

Financial Information

Lakewood has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.