

**Part 2A of Form ADV: Firm Brochure**

**SOROBAN CAPITAL PARTNERS LP**

**January 2015**

This brochure provides information about the qualifications and business practices of Soroban Capital Partners LP (the "Adviser"). If you have any questions about the contents of this brochure, please contact us at 212-314-1300 or [sniditch@sorobancap.com](mailto:sniditch@sorobancap.com). This information has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about the Adviser also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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Item 2 Material Changes:

No material changes were made to this brochure since the Adviser's last annual update, which was filed in March 2014. General updates were made but nothing was material in nature. Please note, however, that effective January 1, 2015, Soroban Capital Partners LLC converted to Soroban Capital Partners LP.

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#### Item 4 Advisory Business

Soroban Capital Partners LP (the “Adviser”), a Delaware limited partnership, is an investment adviser with its principal place of business in New York, NY. The Adviser, formerly Soroban Capital Partners LLC, commenced operations as an investment adviser on November 1, 2010. Eric W. Mandelblatt (through an intermediate entity) and Gaurav Kapadia (through an intermediate entity) are the principal owners of the Adviser.

The Adviser provides investment advisory services on a discretionary basis to its clients, which consist of private funds that are pooled investment vehicles intended for sophisticated investors and institutional investors (the “Funds” or “Clients”).

The Adviser provides advice to its Clients based on the specific investment objectives and strategies described in the offering memorandum of each Client. The Adviser does not tailor its advisory services to the needs of the individual Fund investors and does not accept Fund investor-imposed investment restrictions.

As of January 1, 2015, the Adviser had approximately \$7,983,366,000 of Client assets under management, all of which are managed on a discretionary basis.

## Item 5 Fees and Compensation

### **Asset Based Compensation**

The Adviser is paid a quarterly asset based investment management fee in advance equal to between 0% per annum and 2% per annum based on the value of the Funds as of the first day of each calendar quarter (the "Management Fee"). The Management Fee is prorated for any period less than a full quarter. The Adviser receives the Management Fee each quarter by instructing each Fund's custodian to deduct the Management Fee from the Fund's account.

In certain circumstances, the Management Fee may be waived or reduced for a Fund investor.

### **Performance Based Compensation**

An affiliate of the Adviser may be paid annual performance-based compensation, which is compensation that is based on a share of capital appreciation of the assets of a Fund. This performance-based compensation is between 15% and 30% and is subject to a "high water mark," as described in each Fund's offering memorandum; sometimes the annual performance-based compensation is subject to a "hurdle" as well, as described in the applicable Fund's offering memorandum.

In certain circumstances, the performance-based compensation may be waived or reduced for a Fund investor.

In addition to paying investment management fees and performance-based fees, Client accounts will also be subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; legal expenses; administration, accounting, audit and tax preparation expenses; and organizational expenses. In addition, Clients will incur brokerage and other transaction costs. In connection with researching specific transactions, investments or asset types, the Adviser may engage third-party consultants, accountants, attorneys or other experts, and in connection therewith incur initial and ongoing specialized research, due diligence and monitoring related expenses; the fees and expenses of all such third parties will be borne by the relevant Fund. In particular, the Adviser is contemplating engaging, on behalf of the Funds, a securities brokerage firm as a consultant with respect to certain specific transactions, investments or asset types (such as potential transactions/investments within the energy sector). Client assets are generally invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund. Please refer to Item 12 of this Brochure for a discussion of the Adviser's brokerage practices.

Clients are required to pay a quarterly management fee (although some clients pay no management fees) in advance as of the first calendar day of each calendar quarter or as of the date of subscription, if not the beginning of a calendar quarter (in which case, the management fee will be appropriately pro-rated for the partial quarter in respect of the subscription amount). In the limited circumstances when a withdrawal or redemption is made as of a date other than the end of a calendar quarter, any management fees will be appropriately pro-rated and the excess returned to such Client.

The Funds may also invest in other pooled investment vehicles. In these cases, the Funds will bear their pro rata share of the underlying funds' operating and other expenses including, in addition to those listed above: sales expenses, legal expenses; internal and external accounting, audit and tax preparation expenses; and organizational expenses. The Fund's assets may also be invested in money market mutual funds, exchange traded funds ("ETFs") or other registered investment companies. In these cases, the Funds will bear their pro rata share of the investment management fee and other fees of the underlying fund, which are in addition to the investment management fee (if any) paid to the Adviser.

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

The Adviser and its investment personnel may provide investment management services to multiple portfolios for multiple Clients. The Adviser is entitled to be paid performance-based compensation by its Clients. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. When the Adviser and its investment personnel manage more than one Client account, a potential exists for one Client to be favored over another Client account. Currently, the Adviser generally purchases or sells for its Clients through two master fund portfolios.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the possible management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. These areas are monitored by the Adviser's Chief Compliance Officer. Please refer to Item 12 in this brochure for further details on this topic.

Item 7      Types of Clients

The Adviser's clients consist of private funds that are pooled investment vehicles intended for sophisticated investors and institutional investors. Initial and additional subscription minimums are disclosed in each respective Fund's offering memorandum.

***Methods of Analysis and Investment Strategies.***

For some Funds managed by the Adviser, the Adviser's investment objective is to generate superior risk-adjusted returns. Specifically, the Adviser seeks to maximize risk-adjusted, absolute returns over the course of various market cycles through a portfolio consisting primarily of long and short equity investments. The Adviser aims to limit volatility and systematic risks in both its long and short investments through the use of hedges consisting of individual stocks, equity and sector indices, commodities, credit, currencies, and other marketable securities. The Adviser implements a global, concentrated, highly liquid strategy for these Funds that seek to achieve superior returns with a low correlation to equity markets by employing a deep-rooted fundamental, value-driven approach. The Adviser's approach for these Funds is to seek to identify opportunities across liquid asset classes, primarily focusing on equity long/short in global markets with a strong emphasis on the United States and the Adviser may also take long and short positions in debt, convertible instruments, commodities, currencies and other marketable securities to capture equity-like returns. A wide variety of derivative instruments may be used for both risk management, including portfolio- and position-level hedging, and speculation. Although the Adviser generally does not expect to invest in illiquid investments for this group of Funds, it retains the right to make such an investment if the opportunity is compelling and the Adviser determines it appropriate in accordance with the portfolio's investment objective and liquidity profile. The Funds may employ leverage with respect to its portfolio through borrowings and the use of derivative instruments, though the use of financial leverage is expected to be moderate.

For other Funds managed by the Adviser, the Adviser's investment objective is very similar- also to generate superior risk-adjusted returns - but specifically for these Funds, the Adviser seeks to maximize risk-adjusted returns over the course of various market cycles through a portfolio consisting primarily of concentrated equity investments and for these Funds, the Adviser expects systematically to have a net long bias and be positively correlated to equity markets. The Adviser may seek to limit volatility and systematic risks in both its long and short investments through the use of hedges consisting of individual stocks, equity and sector indices, commodities, credit, currencies, and other marketable securities. The Adviser implements a global, highly concentrated strategy that seeks to achieve superior returns by employing a deep-rooted fundamental, value-driven approach. As stated above, the Adviser may use a wide variety of derivative instruments for these Funds' portfolios. For these Funds, there are no diversification or concentration constraints on the Funds, and the Funds may hold large positions in a relatively limited number of investments. Therefore, the investment portfolios of these Funds may lack diversity and may be more susceptible to any single economic, political or regulatory event than would be the case if the Funds' investments were more diversified. Lastly, although the Adviser generally does not expect to invest in illiquid investments for these Funds, it retains the right to make illiquid investments for the Funds if the opportunity is compelling and the Adviser determines it appropriate in accordance with the Funds' investment objective and liquidity profile.

Investment ideas are generally identified and selected from a proprietary global network of information and relationships and the past investing experience of the Adviser's personnel. The Adviser intends to target companies with a catalyst for a change in earnings/cash flow or valuation, seek out industries in transformation, and identify key economic and market-related data points, such as economic growth, interest rates, commodity prices and inflation, in order to identify potential investment opportunities. The Adviser's diligence process seeks out variant perception and favorable risk-to-reward ratios through exhaustive fundamental research, entailing comprehensive financial analysis and meetings and calls to key constituents. The diligence process also consists of identification of value and catalysts, risk assessment and scenario analysis, and valuation work, such as competitor analysis.

These methods, strategies and investments involve risk of loss to Clients and Clients must be prepared to bear the loss of their entire investment.

***Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies.***

**Evolving and New Investment Approaches.** The Adviser's investment approach and trading techniques



will be continually evolving. The Adviser is not restricted from using the Funds' capital to develop or incubate new strategies or approaches, even if the Adviser has limited experience in the type of markets or instruments involved. The strategies and approaches developed by the Adviser may not be successful and the resources devoted to the implementation of new approaches or strategies may diminish the effectiveness of the Adviser's implementation of the Adviser's established approaches or strategies.

**Directional Investments.** Certain of the positions that will be taken or sectors that will be invested in by the Funds will be designed to profit from forecasting absolute price movements in a particular instrument. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position or sector, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

**No Material Restrictions.** The Adviser opportunistically implements whatever strategies it believes from time to time may be best suited to prevailing market conditions and to the Adviser's investment approach, without material restrictions. Such strategies may involve higher levels of risk than the ones discussed herein. There can be no assurance that the Adviser will be successful in applying any strategy to the Funds' investing.

**No Diversification Policies/Lack of Diversification.** Although the Adviser has a risk management framework relating to portfolio concentration, the Adviser has no specified diversification policies as to the percentage of the Funds' assets that may be invested in any particular country, asset class, issuer, instrument, market or strategy. The Funds' actual portfolio may become more concentrated than the Adviser's risk management framework would otherwise dictate due to market movements, and the Adviser may amend its risk management policies without providing prior notice to or receiving the consent of the investors. Any concentrated position could ultimately result in significant losses to the Funds and a greater reduction in the net asset value of the Funds than if the Funds were more diversified. It is expected that some of the Funds managed by the Adviser will have portfolios consisting of concentrated groups of positions.

**Material Non-Public Information.** From time to time, the Adviser may come into possession of what it reasonably believes may be determined to be material non-public information concerning the issuer of the Fund's investment or any of such issuer's affiliates. Under applicable securities laws, this may limit the Adviser's flexibility to buy or sell such investment for the Funds. Such limitations on the Adviser's ability to trade could have an adverse affect on the Funds. Although the Adviser has adopted procedures to monitor the receipt of material non-public information, there is no guarantee that the Adviser will know whether an employee of the Investment Manager is in possession of material non-public information or will be able to prevent such information from being used for the benefit or detriment of the Funds. Receipt of material non-public information about the Funds' investments may restrict the ability of the Funds to satisfy withdrawal requests. If a withdrawal request is received by the Adviser during a period when trading restrictions are imposed on a Fund due to the Adviser's reasonable determination that it is in possession of material non-public information regarding the Adviser's investment, such Fund may suspend withdrawals.

**Insider Status.** The acquisition by a Fund of more than 10% of the equity securities of a public company or the service by the Adviser or any other officer or employee of the Adviser as an executive officer or director of a company may subject a Fund to liability for "short-swing profits" under Section 16(b) of the Securities Exchange Act of 1934 (the "*Exchange Act*"). Under Section 16(b), holders of more than 10% of any class of equity securities of a company registered under Section 12 of the Exchange Act and certain officers and directors of such issuer are prohibited from any purchase and sale, or any sale and purchase, of any equity or derivative security of such issuer within any period of less than six months. If the Adviser engages in a transaction that results in short-swing profits, a Fund may be required to return the amount of such profit to the issuer, which could adversely affect the overall return on investment realized by the Fund. Measures to avoid short-swing liability may limit the ability of the Adviser to buy or sell securities of the relevant portfolio company or companies. Antitrust or other regulatory complications may impose filing fees and other additional expenses and may adversely affect the Adviser's ability to acquire or dispose of investment positions.

**Holding Period of Investment Positions.** The Adviser typically will not know the maximum or, often, even the expected duration of any particular position at the time of initiation. The length of time for which a position is maintained varies significantly, based on the Adviser's subjective judgment of the appropriate point at

which to liquidate a position so as to augment gains or reduce losses.

**Reliance on Corporate Management and Financial Reporting.** The Adviser will rely on the financial information made available by the issuers in which the Funds will invest. The Adviser has no ability to independently verify the financial information disseminated by the numerous issuers in which the Funds may invest and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Corporate mismanagement, fraud and accounting irregularities relating to the issuers of investments held by the Funds may result in material losses. Equity prices are particularly vulnerable to corporate mismanagement.

**Trading on Exchanges Outside of the United States.** The Funds may trade futures interests on exchanges located outside the United States, where the protections provided by U.S. regulations do not apply. Some non-U.S. commodity exchanges, in contrast to U.S. exchanges, are “principals’ markets” in which performance with respect to a futures interest contract is the responsibility only of the individual investor with whom the trader has entered into the contract and not of the exchange or its clearinghouse, if any. In the case of trading on non-U.S. exchanges, the Funds are subject to the risk of the inability of or refusal by its counterparties to perform with respect to their contracts with the Funds. The Funds also may not have the same access to certain trades as do various other participants in non-U.S. markets.

**International Investing.** Investing outside the United States involves political and economic considerations that create greater risks than investing in the United States. These risks include among other things, greater risks of expropriation, nationalization and general social, political and economic instability; the small relative size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion, imposition of withholdings and other taxes and certain government policies that may restrict the Funds’ investment opportunities. Other risks include: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting disclosure standards, practices and requirements comparable to those applicable to United States companies.

Non-U.S. markets may also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the Funds are uninvested and no return is earned thereon. The inability of the Funds to make intended security purchases due to settlement problems or the risk of intermediary counterparty failures could cause the Funds to miss investment opportunities. The inability to dispose of a security due to settlement problems could result either in losses to the Funds due to subsequent declines in the value of such structured credit security or, if the Funds have entered into a contract to sell the security, could result in possible liability to the purchaser. Transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, also are generally higher than those involved in U.S. transactions. Furthermore, non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are less liquid and their prices more volatile than securities of comparable U.S. companies.

The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resources self-sufficiency and balance of payments position.

**Emerging Markets Investing Involves Particular Risks.** The Funds may invest in undeveloped, non-U.S. countries that are considered to be “emerging markets”. These markets present unusual risks, including government instability, political risk, lack of or less than transparent priority, the imposition of currency controls, expropriation risk, the application of various laws and regulations, including anti-money laundering laws and non-U.S. tax laws. Fundamental investing strategies in emerging markets are subject to increased risks due to the risk of other market participants having better access to relevant market information.

**Hybrid and Other Strategies.** Many of the strategies which the Adviser may employ combine elements

of more than one of the foregoing general strategy types or may represent a completely different strategy type. Often, in the course of implementing a particular strategy an opportunistic investment representing a different investing approach will be made. For example, in seeking to identify a relatively mispriced pair of assets, the Adviser may conclude that an asset is sufficiently over- or underpriced to merit taking an outright directional position.

The Adviser's approach may combine a range of different investing techniques, both implementing different strategies in different markets and combining different strategies, in the same or related markets.

**Special Situations.** The Funds may have investments in issuers involved in (or the target of) acquisition attempts or tender offers or issuers involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved 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 to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell their investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled issuers in which the Funds may invest, there is a potential risk of loss by the Funds of their entire investment in such issuers.

**Short Sales.** The Adviser may sell securities short. A short sale is effected by selling a security which the Funds do not own. In order to make delivery to the buyer of a security sold short, the Funds must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The Funds must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must be collateralized by a deposit of cash or marketable securities with the lender. Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by the Funds. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing the loss incurred by the Funds. Furthermore, the Funds may prematurely be forced to close out a short position if a counterparty from which the Funds borrowed securities demands their return, resulting in a loss on what might otherwise have been ultimately a profitable position.

The U.S. government and certain foreign jurisdictions have at times taken measures to impose restrictions on the ability of investors to enter into short sales, including a complete prohibition on taking short positions in respect of certain issuers. Such restrictions may negatively affect the ability of the Adviser to implement its strategies. It cannot be determined how future regulations may limit the Funds' ability to engage in short selling and how such limitations may impact the Funds' performance.

**Hedging.** Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the Funds' securities or other objective of the Adviser; (ii) possible lack of a secondary market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Adviser; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Funds' position; and (v) default or refusal to perform on the part of the counterparty with which the Funds trade. Furthermore, to the extent that any hedging strategy involves the use of OTC derivatives transactions, such a strategy would be affected by implementation of various regulations, including those adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank").

The Adviser will not, in general, attempt to hedge all market or other risks inherent in the Funds' positions, and hedges certain risks, if at all, only partially. Specifically, the Adviser may choose not, or may determine that it is economically unattractive, to hedge certain risks — either in respect of particular positions or in respect of the Funds' overall portfolio. The Funds' portfolio composition will commonly result in various directional market risks remaining unhedged. The Adviser may rely on diversification to control such risks to the extent that the Adviser

believes it is desirable to do so; however, the Funds are not subject to formal diversification policies.

The ability of the Adviser to hedge successfully will depend on the ability of the Adviser to predict pertinent market movements, which cannot be assured. The Adviser is not required to hedge and there can be no assurance that hedging transactions will be available or, even if undertaken, will be effective. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Moreover, it should be noted that the Funds' portfolio will always be exposed to certain risks that cannot be hedged, such as counterparty credit risk. Furthermore, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

**Currency Exchange Exposure and Currency Hedging.** Because the Funds may invest in non-U.S. securities that are denominated or quoted in non-U.S. currencies, whereas the functional currency of the Funds is denominated in U.S. dollars, performance may be significantly affected, either positively or negatively, by fluctuations in the relative currency exchange rates and by exchange control regulations. To the extent the Adviser seeks to hedge currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Funds may incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Funds at one rate, while offering a lesser rate of exchange should the Funds desire immediately to resell that currency to the dealer. The Funds will conduct its currency exchange transactions either on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward, futures or commodity options contracts to purchase or sell currencies, and entering into foreign currency borrowings.

To the extent the Funds enter into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Funds fail to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Funds for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate. Furthermore, while the markets for currency forward contracts are not currently regulated, they may in the future become subject to regulation under the Dodd-Frank, a development which may entail increased costs and result in burdensome reporting requirements.

There can be no guarantee that instruments suitable for hedging currency shifts will be available at the time the Adviser wishes to use them or will be able to be liquidated when the Adviser wishes to do so. In addition, the Adviser may choose not to enter into hedging transactions with respect to some or all of its positions that are exposed to currency exchange risk.

**Leverage.** Losses incurred on the Funds' leveraged investments will increase in direct proportion to the degree of leverage employed. The Funds will also incur interest expense on the borrowings used to leverage its positions. The Funds do not have any formal borrowing limits.

The use of leverage also may result in the forced liquidation of positions (which may otherwise have been profitable) as a result of margin or collateral calls.

To the extent the assets of the Funds have been leveraged through the borrowing of money, the purchase of securities on margin or otherwise, the interest expense and other costs and premiums incurred in relation thereto may not be recovered. If gains earned by the Funds' portfolio fail to cover such costs, the net asset value of the Funds may decrease faster than if there had been no borrowings.

**Securities Lending.** The Funds may lend securities from its portfolio to brokers, dealers and other financial institutions that need to borrow securities to complete certain transactions as a means of earning additional income. The Funds are entitled to payments in amounts equal to the interest, dividends or other distributions

payable on the loaned securities, which affords the Funds an opportunity to earn interest on the amount of the loan and current income on the loaned securities themselves. However, the Adviser does not vote proxies on securities that are lent. In addition, the Funds might experience a loss if any institution with which the Funds have engaged in a portfolio loan transaction breaches its agreement with the Funds. If the borrower becomes insolvent or bankrupt, the Funds could experience delays and costs in recovering loaned securities. To the extent that, in the meantime, the value of the loaned securities declines, the Funds could experience further losses.

**Master-Feeder Structure.** The Adviser will generally invest through one of two “master-feeder” structures. The “master-feeder” fund structure presents certain unique risks to investors. For example, a smaller fund investing in the Master Fund may be materially affected by the actions of a larger feeder fund. If a larger feeder fund withdrew from the Master Fund, the remaining feeder fund may experience higher *pro rata* operating expenses, thereby providing lower returns. The Master Fund may become less diverse due to redemption by a larger feeder fund, resulting in increased portfolio risk. In addition, the Master Fund may structure certain transactions with the aim of securing a particular tax, regulatory or other benefit that is relevant for one feeder fund but not another. Any incremental costs associated with such structuring will be borne by all investors in the feeder funds. The Master Fund is a single entity and creditors of the Master Fund may enforce claims against all of the assets of the Master Fund.

***Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).***

**Equity Investments.** The Funds’ equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Funds may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the Funds’ necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize). Equity prices are directly affected by issuer specific events, as well as general market conditions. Equity investments are subordinate to the claims of an issuer’s creditors and, to the extent such securities are common securities, preferred stockholders. Dividends customarily paid to equity holders can be suspended or cancelled at any time. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal.

**Investment in Small Capitalization and Mid-Capitalization Securities.** The pursuit of the Funds’ investment strategy may result in a portion or all of the Funds’ assets being invested in securities of small and midcap issuers. While in the Adviser’s opinion the securities of a small or mid cap issuer may offer the potential for greater capital appreciation than investments in securities of large cap issuers, securities of small and mid-cap issuers may also present greater risks. For example, some small and mid-cap issuers often have limited product lines, markets or financial resources. They may be subject to high volatility in revenues, expenses and earnings. They may be dependent for management on one or a few key persons, and can be more susceptible to losses and risks of bankruptcy. Their securities may be thinly traded (and therefore have to be sold at a discount from current market prices or sold in small lots over an extended period of time), may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger cap issuers. In addition, small and mid-cap issuers may not be well known to the investment public and may have only limited institutional ownership. The market prices of securities of small and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large cap issuers. Transaction costs in securities of small and mid-cap issuers may be higher than in those of large cap issuers.

**Derivatives in General.** The Funds may make use of various derivative instruments, such as convertible securities, options, futures, forwards and interest rate, credit default, total return and equity swaps. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity,

which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses.

Use of derivatives and other techniques such as short sales for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

**Over-the-Counter Transactions.** In addition to trading on U.S. futures exchanges, the Funds may trade other products, some of which may trade on the OTC market. These transactions present certain risks different from the risks of trading on U.S. exchanges. The OTC market is unregulated and, accordingly, there are certain risks related to trading OTC instruments — including the absence of daily price limits and the risk of counterparty default — in addition to the risks of trading futures contracts.

Dodd-Frank includes provisions that comprehensively regulate the OTC derivatives markets for the first time.

Dodd-Frank will ultimately mandate that a substantial portion of OTC derivatives must be executed in regulated markets and submitted for clearing to regulated clearinghouses. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible SEC- or CFTC-mandated margin requirements. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives and new requirements will apply to the holding of customer collateral by OTC derivatives dealers. These requirements may increase the amount of collateral the Funds are required to provide and the costs associated with providing it. OTC derivative dealers also are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as was widely permitted before Dodd-Frank. This has and will continue to increase the OTC derivative dealers' costs, and these increased costs are generally passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing, and the imposition of new or increased fees, including clearing account maintenance fees.

With respect to cleared OTC derivatives, the Funds will not face a clearinghouse directly but rather through an OTC derivatives dealer that is registered with the CFTC or SEC to act as a clearing member. The Funds may face the indirect risk of the failure of another clearing member customer to meet its obligations to its clearing member. Such scenario could arise due to a default by the clearing member on its obligations to the clearinghouse, triggered by a customer's failure to meet its obligations to the clearing member.

The SEC and CFTC will also require a substantial portion of derivative transactions that are currently executed on a bi-lateral basis in the OTC markets to be executed through a regulated securities, futures, or swap exchange or execution facility. Certain CFTC-regulated derivatives trades became subject to these rules in early 2014, and other CFTC-regulated derivatives trades may become subject to these rules in the near future. It is not yet clear when the parallel SEC requirements will go into effect. Such requirements may make it more difficult and costly for investment funds, including the Fund, to enter into highly tailored or customized transactions. They may also render certain strategies in which the Funds might otherwise engage impossible or so costly that they will no longer be economical to implement. If the Funds decide to become a direct member of one or more of these exchanges or execution facilities, the Funds would be subject to all of the rules of the exchange or execution facility, which would bring additional risks and liabilities, and potential additional regulatory requirements.

OTC derivative dealers are now required to register with the CFTC and will ultimately be required to register with the SEC. Dealers are subject to new minimum capital and margin requirements, business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These requirements further increase the

overall costs for OTC derivative dealers, which costs may be passed along to market participants as market changes continue to be implemented. The overall impact of Dodd-Frank on the Funds remains highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime, along with additional, sometimes overlapping, regulatory requirements imposed by non-U.S. regulators.

**Options.** Trading options is highly speculative and may entail risks that are greater than investing in other securities. Prices of options are generally more volatile than prices of other securities. In trading options, the Adviser speculates on market fluctuations of securities and securities exchange indices while investing only a small percentage of the value of the securities underlying such option. A change in the market price of the underlying securities or underlying market index will cause a much greater change in the price of the option contract. In addition, to the extent that the Adviser purchases options that it does not sell or exercise, the Funds will suffer the loss of the premium paid in such purchase. To the extent the Adviser sells options and must deliver the underlying securities at the option price, the Funds have a theoretically unlimited risk of loss if the price of such underlying securities increases. If the Adviser must buy those underlying securities, the Funds risk the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option. Furthermore, the risk of nonperformance by the obligor on an option may be greater and the ease with which the Adviser can dispose of such an option may be less than in the case of an exchange traded option.

The Adviser may cause the Funds to buy or sell OTC options—options on securities that are not traded on a securities exchange and are not issued or cleared by an internationally recognized clearing corporation. The risk of nonperformance by the obligor on such an option may be greater, and the ease with which the Adviser can dispose of such an option may be less, than in the case of an exchange traded option issued by an internationally recognized clearing corporation.

**Futures/Commodities.** Trading commodities and commodity interests (*e.g.*, futures contracts on commodities, securities indices or currencies) is highly speculative and may entail risks that are greater than the risks associated with investing in equity securities. Prices of commodity interests are generally more volatile than prices of equity securities. Futures trading will have effects on the Funds' portfolio similar to the effects of leverage. The Funds may participate in market price fluctuations of securities or commodity interests underlying futures (or options on futures), while investing only a small percentage of the value of those underlying securities or commodity interests. The Funds may open a futures position by placing with a futures commission merchant an initial margin that is small relative to the value of the futures contract, making the transaction "leveraged". If the market moves against the Funds' position or margin levels are increased, the Funds may be called upon to pay substantial additional funds on short notice to maintain its position. If the Funds were to fail to make such payments, its position could be liquidated at a loss, and the Funds would be liable for any resulting deficit in its account.

Futures positions may be illiquid because, among other things, most commodity exchanges limit fluctuations in certain futures contract prices during a single day. Once the price of a contract for a particular future has increased or decreased by an amount equal to the "daily limit", positions can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Such an occurrence could prevent the Adviser from liquidating unfavorable positions and subject the Funds to substantial losses. In addition, the Adviser may not be able to effect futures contract trades at favorable prices if trading volume in those contracts is low.

The Adviser's futures activities will involve futures and options traded in U.S. and non-U.S. markets. The risks of trading futures in non-U.S. markets may be greater than trading in futures on U.S. exchanges. For example, non-U.S. futures are cleared on and subject to the rules of a non-U.S. board of trade. Neither the CFTC nor the National Futures Association regulates activities of any other non-U.S. board of trade, including execution, delivery and clearing of transactions, nor do they have any enforcement authority over non-U.S. boards of trade. In addition, funds provided as margin for non-U.S. futures and options may not be provided the same protections as funds received in respect of U.S. transactions.

**Fixed Income Investments.** The value of the fixed income securities in which the Funds may invest changes both as general market conditions change and as the general levels of interest rates fluctuate. When interest

rates decline, the value of the Funds' fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities is generally expected to decline. Investments in lower rated or unrated fixed income securities in which the Funds may invest, while generally providing greater opportunity for gain and income than investments in higher rated securities, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such securities). Fixed income securities are generally not exchange traded and therefore, usually carry a higher level of liquidity and mark-to-market risk potential than most exchange-traded equity securities.

**Bank Debt.** The Funds may invest in bank debt and other similar instruments. Bank debts are not traded on regulated exchanges, are not registered with U.S. or other governmental authorities and are not subject to the rules of any self-regulatory organization.

There are varying sources of statistical default rate data for term bank debts and numerous methods for measuring default rates. The historical performance of the term debt market is not necessarily indicative of its future performance. Should increases in default rates occur with respect to the type of collateral securing the bank loans in which the Funds invest, the actual default rates of the bank loans held by the Funds may exceed the hypothetical default rates used by the Adviser in determining to purchase such bank debt.

The Funds may invest in bank debt participations, which involve certain risks in addition to those associated with direct loans. A bank debt participant has no contractual relationship with the borrower of the underlying bank debt. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the bank debt agreement in the event of a default and may not have the right to object to amendments or modifications of the terms of such bank debt agreement. A participant in a syndicated bank debt generally does not have voting rights, which are retained by the lender. In addition, a bank debt participant is subject to the credit risk of the lender as well as the borrower, since a bank debt participant is dependent upon the lender to pay its percentage of payments of principal and interest received on the underlying bank debt.

**Illiquid Investments.** The Funds may from time to time invest in restricted, as well as thinly traded, instruments and securities (including privately placed securities and instruments). There may be no trading market for these securities and instruments, and the Funds might only be able to liquidate these positions, if at all, at disadvantageous prices. As a result, the Funds may be required to hold such securities despite adverse price movements. In addition, if the Funds make a short sale of an illiquid security or instrument, it may have difficulty in covering the short sale, resulting in a potentially unlimited loss on that position. Despite its good faith efforts at fair valuation, the Adviser's valuation of these positions may prove to be materially inaccurate and to have resulted in inflated management fees paid to the Adviser and profit allocations made to its affiliate, the general partner/managing member of the Funds.

**High-Yield Securities.** The Funds may invest in high yield securities. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. Major economic recessions could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

As with other investments, there may not be a liquid market for certain high-yield securities, which could result in the Funds being unable to sell such securities for an extended period of time, if at all. In addition, as with other types of investments, the market for high-yield securities has historically been subject to disruptions that have caused substantial volatility in the prices of such securities. Consolidation in the financial services industry has resulted in there being fewer market makers for high-yield securities, which may result in further risk of illiquidity and volatility with respect to high-yield securities, and this trend may continue in the future.



**Distressed Securities.** Investment in the securities of financially and/or operationally troubled issuers involves a high degree of credit and market risk. Securities of such issuers are typically more volatile and less liquid than securities of companies not experiencing such difficulties.

If a company is in bankruptcy, bondholders' and other creditors' claims are subject to factors such as deterioration of collateral during a stay in bankruptcy, challenges and/or possible invalidation of security interests, and disallowance or subordination of claims, all of which may be difficult to predict. Failure to accurately assess the probability of these events could have a detrimental effect on the Funds' investments in distressed securities.

**Portfolio Valuation.** Because of overall size, concentration in particular markets, liquidity issues, and, although not typical, the possible use of models, the value at which the Funds' investments can be liquidated may differ, sometimes significantly, from the interim valuations arrived at using the methodologies described in this Memorandum. In addition, the timing of liquidations may also affect the values obtained on liquidation. Because the secondary market for the assets in which the Funds may invest is limited, it may be difficult to value such assets. Market quotations (or other third party pricing information) may not be readily available for some of the Funds' assets, or may be volatile and/or subject to large spreads between bid and ask prices, and valuation may require more research than for other types of investments. In addition, elements of judgment may play a greater role in such valuations than for securities with a more active secondary market, because there is less objective market value data available.

In light of the foregoing, there is a risk that an investor who withdraws all or part of its investment while the Funds hold such private, thinly traded or illiquid investments will be paid an amount less than it would otherwise be paid if the actual value of such investments were higher than the value assigned by the Adviser. Similarly, there is a risk that an investor might, in effect, be overpaid and have to pay back excess amounts of such withdrawal if the actual value of such investment were lower than the value assigned by the Adviser. Whether such investor will have to pay back the excess will be determined by the Adviser's affiliate, the general partner/managing member of the Funds, in its sole discretion. In addition, there is a risk that an investment in the Funds by a new investor (or an additional investment by an existing investor) could dilute the value of such investments.

Item 9      Disciplinary Information

This item is not applicable.

Item 10 Other Financial Industry Activities and Affiliations

This item is not applicable.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Adviser's Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Clients or prospective investors may obtain a copy of the Code by contacting Steven Niditch (Chief Compliance Officer) by email at [sniditch@sorobancap.com](mailto:sniditch@sorobancap.com), or by telephone at 212-314-1300. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser or its related persons, as principal, may buy securities from (or sells securities to) its Clients and/or act(s) as a general partner/managing member in a partnership in which the Adviser solicits Client investments. These practices create a conflict of interest because the Adviser or related person has an incentive to recommend/buy securities from (or sell securities to) Clients based on its own financial interests, rather than solely the interests of a Client. With respect to principal transactions, the Adviser has established, with the consent of its Clients, an independent advisory committee (the "Independent Committee") that reviews principal transactions. The Adviser's procedures regarding principal transactions and a description of the Independent Committee are included in each Fund's offering memorandum.

In addition, the Adviser or its related persons may invest in some of the same private securities or ETFs that the Adviser or a related person recommends to Clients (by obtaining pre-approval from the Chief Compliance Officer). Such practices present a conflict where, because of the information an Adviser has, the Adviser or its related person are in a position to trade in a manner that could adversely affect Clients (e.g., place their own trades before or after Client trades are executed in order to benefit from any price movements due to the Clients' trades). In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm Clients by adversely affecting the price at which the Clients' trades are executed. The Adviser has adopted the Code, described above, which contains policies and procedures designed to minimize any actual or potential conflicts, including pre-clearance of any transactions in Reportable Securities as defined in the Code.

To the extent that the Adviser owns securities that the Adviser also recommends to Clients, such Clients' proxies will be voted according to predetermined guidelines rather than subject to the Adviser's discretion. Please refer to Item 17 for further information regarding the Adviser's proxy voting policy and procedures.

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors may include an overall evaluation of the broker-dealer in each market, an assessment of the broker-dealer's quality (e.g., familiarity with markets, financial strength, past experience) and the broker-dealer's order execution capabilities with respect to a particular trade (e.g., order size, trading characteristics, cost and difficulty of execution, capital commitment, knowledge of market). In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Brokerage Committee (which includes the Adviser's Chief Compliance Officer) meets periodically to evaluate the broker-dealers used by the Adviser to execute Client trades using the foregoing factors.

The Adviser receives research or other products or services other than execution from a broker-dealer and/or a third party in connection with Client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Exchange Act ("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. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

When the Adviser uses Client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's Chief Compliance Officer (along with the Brokerage Committee, if necessary), reviews and evaluates its soft dollar practices to determine in good faith that the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer.

The use of Client commissions (or markups or markdowns) to obtain research and brokerage products and services 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.

Although it is not the Adviser's current practice, the Adviser may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for Clients.

The Adviser may participate in "client commission arrangements" pursuant to which the Adviser may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. The Adviser excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations. At this time, with the exception of (i) an introducing broker program and (ii) a broker-dealer who introduces the Adviser to third-party research consultants, the Adviser does not intend to direct brokerage to firms for services and products beyond execution.

From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers,

including firms that serve as prime brokers to a private fund managed by the Adviser or recommend these private funds as an investment to Clients. The Adviser may place Client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

The Adviser does not permit Clients to direct the Adviser to transact with a specific broker.

The Adviser often purchases or sells the same security for many clients contemporaneously/ at or near the same time. When appropriate, the Adviser may, but is not required to, aggregate Client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Currently, the Adviser generally purchases or sells for its Clients through two master fund portfolios and then allocates such securities generally pro rata among the Funds invested in each of such Master Funds.

Since the Adviser provides services for many clients, it will seek to allocate orders and investment opportunities in a manner that it believes is in the best interests of all the clients. Although such allocations will generally be made pro rata as to its clients, they will not necessarily be so, where the Adviser's allocation policies (e.g., differing objectives or other considerations) dictate a different result. The offering memorandum of each Fund discusses this allocation concept in further detail.

Item 13      Review of Accounts

Each Client account is reviewed by the Adviser on a daily basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each Client account.

Significant market events affecting the prices of one or more securities in Client accounts may trigger reviews of Client accounts on a more frequent basis.

A Client's investors receive reports from the Client pursuant to the terms of each Client's offering memorandum or as otherwise described in the offering documentation of the Client.

Item 14      Client Referrals and Other Compensation

The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its Clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.



Item 15      Custody

An affiliate of the Adviser is deemed to have custody of client assets due to serving as the general partner/managing member of the Funds and intends to comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, by meeting the conditions of the pooled vehicle annual audit provision.

The Adviser provides investment advisory services on a discretionary basis to Clients.

Prior to assuming discretion in managing a Client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

The Adviser has the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Client account.

Each of the Funds has and may in the future enter into agreements, or "side letters", with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the applicable offering memorandum of a Fund. For example, such terms and conditions may provide for special withdrawal rights relating to frequency or notice, or rights to receive reports from the Fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions). The modifications are solely at the discretion of the Fund and may, among other things, be based on the size of the investor's investment in the Fund or affiliated investment entity, an agreement by an investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an investor to the Fund.

Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and securities held. Allocations may be made among Client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a Client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a Client's status as a "restricted person" under applicable regulations.

The Adviser may effect cross transactions between discretionary Client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two Clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between Client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless Client consent has been obtained (as described in Item 11 above).

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. In the event that a Client account incurs a trade error as a result of the Adviser's gross negligence or willful misconduct, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the Client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the Client account. Gains to Client accounts as a result of an Adviser's trade errors will be kept by the Client. Where a third party causes a trading error that results in a material loss to a client, the Adviser will attempt to recover the amount of the loss from the third party for the client, but the Adviser does not assume responsibility for compensating the client, or making the third party compensate the client, in such cases.

Item 17      Voting Client Securities

The Adviser has adopted Proxy Voting Policies and Procedures (the "Procedures") that are designed to ensure that in cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interests of its Clients. The Procedures also require that the Adviser identify and address conflicts of interest between the Adviser and its Clients. If a material conflict of interest exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the Procedures is in the best interests of the Client or take some other appropriate action. It is the Adviser's general policy not to vote proxies for securities which are not held in a Client's account at the time such proxy is received by the Adviser.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a Client's proxies by contacting Steven Niditch (Chief Compliance Officer) by email at [sniditch@sorobancap.com](mailto:sniditch@sorobancap.com), or by telephone at 212-314-1300.

Item 18 Financial Information

This Item is not applicable.