

Kayak Investment Partners LLC
Part 2A of Form ADV
The Brochure

One Embarcadero Center, Suite 1520
San Francisco, CA 94111

August 2018

This brochure ("*Brochure*") provides information about the qualifications and business practices of Kayak Investment Partners LLC ("*Kayak*"). If you have any questions about the contents of this Brochure, please contact us at 415.878.3301 or email shaves@kayakip.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("*SEC*") or by any state securities authority.

Registration as an investment adviser does not imply any particular level of skill or training in the investment advisory business.

Additional information about Kayak is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure dated August 2018 is submitted as an other than annual amendment. Material changes since March 2018 (the last annual updating amendment) include disclosures related to our proxy voting policy.

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Item 4: Advisory Business

Kayak Investment Partners LLC (“**Kayak**”), a Delaware limited liability company, was formed in June 2012 as an investment firm with a global long/short equity technology focus. Kayak’s principal place of business is in San Francisco, California. An affiliate of Kayak has a representative office in Taiwan. Kayak Management LLC, a Delaware limited liability company under common control with Kayak serves as the US Fund’s (defined below) general partner. See *Item 10:* . Kayak provides investment advisory services on a discretionary basis to pooled investment vehicles organized in a “master-feeder” structure and to separately managed client accounts (“**Separately Managed Accounts**”). Kayak currently provides advisory services to Kayak Investment Partners Master, L.P., a Cayman Islands exempted limited partnership (the “**Master Fund**”), Kayak Investment Partners LP, a Delaware limited partnership (the “**US Fund**”) and Kayak Investment Partners Offshore Ltd., a Cayman Islands exempted company (the “**Offshore Fund**” and collectively, the “**Funds**” and collectively with Separately Managed Accounts, “**Clients**”), each of which is a private investment fund offered to financially sophisticated individual and institutional investors. Kayak also provides investment advisory services to separately managed client accounts on terms and conditions that may be different than those offered to the Funds and which may vary between and among managed accounts.

The principal owner of the business is Claude Hazan. Additional owners are Nowell Chernick, Kurt Lanzavecchia, Daryl Smith, and Michael Fisher.

Kayak manages the Funds in accordance with each Fund’s strategies, restrictions and guidelines. See *Item 8: Methods of Analysis, Investment Strategies and Risk of Loss*. Kayak has complete discretion over investment decisions for the Funds, and investors have no authority to change a Fund’s investment objectives or limitations. Investors have no right to remove or replace Kayak. Information about each Fund can be found in the relevant Fund’s offering documents, including its confidential offering memorandum (the “**Offering Memorandum**”).

Kayak does not participate in wrap fee programs.

As of December 31, 2017, Kayak has \$478,523,271.06 in regulatory assets under management. Kayak does not provide non-discretionary investment advice.

Item 5: Fees and Compensation

Management Fee. The Funds pay an asset based management fee to Kayak monthly in advance. The management fee is generally 2% per annum of the value of the Funds’ assets under management. The initial investor (founders’) class pays 1.5% per annum.

Similarly, Separately Managed Accounts typically pay an asset based management fee the amount of which varies and is negotiable.

Performance Compensation. In addition, Kayak’s affiliate (Kayak Management LLC) is entitled to a special allocation of net profits experienced by the investors in the Funds and Separately Managed Accounts, called an “incentive allocation.” The incentive allocation is generally calculated and paid annually, generally in an amount equal to 20% of the net profits (realized and unrealized), if any, from the performance of the Funds. The incentive allocation with respect to the founders’ class is 17.5%. An incentive allocation is also calculated and allocated upon an investor’s withdrawal or redemption from a Fund, but only on the amount withdrawn or redeemed. Payment of the incentive allocation to Kayak is subject to a “high water mark:” paid only after losses, if any, have been recovered.

As a general matter, fees and other compensation are negotiable in certain circumstances, including with respect to separately managed accounts, and arrangements with particular investors or clients may vary.

Kayak deducts management fees monthly from the Fund's assets, and incentive allocations annually and when investors withdraw. Fund investors do not have the ability to choose to be billed directly for fees incurred. Funds pay management fees in advance (based on the relevant Fund's assets at the beginning of the month). If an investor were permitted to withdraw during the month (which could happen only in extraordinary circumstances), that investor would not receive a refund of any pre-paid management fees.

The foregoing represents Kayak's basic compensation arrangements. Although Kayak believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

Redemption Fee. Under certain circumstances detailed in the Offering Memorandum, investors must pay redemption fees. Redemption fees are paid back into the Funds and not to Kayak.

Expenses. In addition to Kayak's investment management fees and incentive allocations, Funds and Separately Managed Accounts also bear all expenses incurred in connection with their investment activities. Those expenses reduce investors' returns. Expenses include fees of the Funds' and Separately Managed Accounts' administrator; legal, accounting and audit fees and expenses; governmental fees and taxes; bookkeeping and other professional fees; directors' fees; costs of investor meetings and other communications with investors; and all other reasonable costs related to the management and operation of the Funds and Separately Managed Accounts. In addition, if a Fund investor withdraws any capital before the first anniversary of that capital's contribution, a withdrawal charge applies in an amount of 3% of the estimated withdrawal proceeds, which would be deducted from the withdrawal payment.

Please see *Item 12: Brokerage Practices* in this Brochure for further information on arrangements that may relieve Kayak from certain costs and expenses.

Neither Kayak nor any of its supervised persons accepts commissions or other compensation for the sale of securities or other investment products.

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

As discussed above under *Item 5: Fees and Compensation*, Kayak generally has the right to receive an incentive allocation based on the performance of the Funds, in addition to a management fee. To the extent Kayak provides investment advisory services to separately managed accounts or other pooled investment vehicles in the future with different fee arrangements, Kayak faces certain potential conflicts of interest with respect to such different fee arrangements. Kayak has implemented allocation procedures among accounts which share similar investment objectives and strategies and continue to act in the best interest of each client. These procedures are discussed more fully in Item 12.

Item 7: Types of Clients

Kayak's current clients are the Funds and Separately Managed Accounts. See *Item 4: Advisory Business* above. The Funds generally require a minimum initial investment of \$1,000,000. Potential Fund investors may read the eligibility criteria and minimum investment requirements specific to each Fund in the relevant Fund's Offering Memorandum and subscription application.

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

Kayak's investment strategy is a long/short equity strategy focused on technology. Utilizing internally-generated fundamental research and proprietary online data collection programs, Kayak intends to create strong, sustainable investment performance with low monthly volatility while preserving capital in weak markets and achieving good upside capture in strong markets.

The Fund's strategy for this decade is to capture the opportunities created by the current wave of technology demand while building the expertise for subsequent waves. The Fund's assets are expected to be invested globally, including in Asia and other emerging markets, among other regions.

The Funds' Offering Memoranda contain additional detail regarding the Funds' objective and strategy.

All investing in securities involves a risk of loss. Fund investors should be prepared to bear losses on their Fund investments. Funds may produce gains and losses due to broader changes in the financial markets; however, gains and losses are also based on the Kayak's investment acumen and securities selections, and may be impacted by other factors including market volatility, corporate activity, regulatory oversight, trading volume and money flows. The Funds have significant fees and expenses that will reduce returns. Kayak may use a variety of techniques and instruments, and the Funds may invest in a wide array of investments, each of which may have diverse associated risks, including geographic risk, counterparty risk, credit risk and liquidity risk. The Funds are leveraged, which increases the risk of investment loss, and their performance may be volatile. The Funds are not subject to the same regulatory and reporting requirements as SEC registered investment companies (*e.g.*, mutual funds).

The risks described above are not a complete list of risks involved with investing in a Fund – specific risks and conflicts of interest associated with an investment in a Fund are described in detail in the relevant Fund's Offering Memorandum. Investors and prospective investors in a Fund should carefully review the Fund's confidential offering memorandum for further information.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

Kayak Management LLC is under common ownership with Kayak. Kayak Management LLC serves as the US Fund's general partner. It is also the sole shareholder of the Master Fund's general partner (a Cayman Islands corporation). The Master Fund's general partner entity has an independent board of directors. Kayak Management LLC receives an incentive allocation from the Master Fund (through its share ownership in the Master Fund's general partner).

Additional affiliates controlled by Kayak are Kayak Management Group Ltd., a Cayman Islands exempted company, and its subsidiary, Kayak Cayman Management Ltd., a Cayman Islands exempted company with a representative office in Taiwan, registered as an excluded person under the Securities Investment Business Law (2011 Revision) of the Cayman Islands (together, the "*Cayman Management Entities*"). The Cayman Management Entities and Kayak together comprise a single advisory business. The Cayman Management Entities provide research and analysis services to Kayak, and employ research personnel resident in

Taiwan who report to Kayak's portfolio manager. The Cayman Management Entities do not directly provide investment advisory services to clients nor manage client assets, have not entered into investment advisory agreements with any clients and do not receive investment advisory fees or other compensation from clients. Research personnel employed by the Cayman Management Entities are subject to Kayak's Code of Ethics described in *Item 11*: . The Cayman Management entities are "relying advisers" and satisfy the conditions set forth in the SEC's guidance.¹

Kayak and its employees are not registered (and do not have any application pending to register) as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing entities. Kayak and its affiliates rely on an exemption from registration as a commodity pool operator and commodity trading advisor. Other than as described above, Kayak and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest. Finally, Kayak does not recommend or select for its clients, or have other business relationships with, other investment advisers.

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

Kayak has adopted a written Code of Ethics applicable to all personnel. Among other things, the code requires that Kayak and its employees act in clients' best interests, abide by all applicable regulations, not engage in insider trading, and pre-clear and report on many types of personal securities transactions. Kayak's restrictions on personal securities trading apply to all employees employed by Kayak and its affiliates, as well as employees' family members living in the same household. All employees are required to report all brokerage accounts in which they have a beneficial interest, as well as their securities holdings. In addition, all employees are required to pre-clear with the Chief Compliance Officer all proposed securities transactions (except with respect to certain government securities, shares of mutual funds and certain other types of securities that Kayak Partners does not believe create a potential for conflicts of interest). Kayak monitors all employees' securities transactions: employees must arrange for duplicate copies of their brokerage statements and trade confirmations to be sent to the Chief Compliance Officer or his delegate.

Clients or prospective clients and investors may obtain a copy of the Code of Ethics by contacting Sinead Hayes by email at shayes@kayakip.com or by telephone at 415.878.3301.

Item 12: Brokerage Practices

Selection Criteria. The Funds spend substantial amounts on brokerage commissions and other expenses for transactions in the portfolio. Kayak has complete discretion to decide who executes transactions and how much the Funds will pay them. Some broker-dealers (and other counterparties involved in portfolio transactions—collectively, "broker-dealers") may provide Kayak with information, services and other products beyond pure transaction execution.

In choosing brokers, Kayak seeks "best execution" of the Funds' securities transactions. In evaluating whether a broker provides best execution, Kayak considers a range of factors

¹ In respect of the condition to independently qualify for registration with the SEC, the Cayman Management Entities rely on Investment Advisers Act Rule 203A-2(b), which permits a related entity (such as the Cayman Management Entities) in a control relationship with a filing adviser (such as Kayak) to register if it has the same principal office and place of business as the filing adviser.

including, among others, historical net prices (after markups, markdowns and other transaction-related compensation); execution, clearance and settlement and error correction capabilities generally and in connection with securities of the type and in the amounts to be bought or sold; the size of the transaction; the availability of securities to borrow for short sales; the market for the security; and the nature, quantity and quality of research and other services and products provided. Kayak is not required to select the broker that charges the lowest transaction cost, even if that broker can provide execution quality comparable to other brokers. The Funds expect at times to pay more than the lowest transaction cost available in order to obtain products other than the execution of securities transactions and may select brokers in recognition of the value of various services or products (“soft dollars”), beyond transaction execution that they provide to the Funds. Kayak expects to acquire services or products with the Funds’ soft dollars.

“Soft Dollars.” Kayak may select broker-dealers in recognition of the value of various services or products, beyond transaction execution, that they provide to the Funds or Kayak. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with “soft dollars.” This is common in the professional management of securities portfolios. Kayak expects to acquire services or products with the Funds’ soft dollars.

A federal statute, Section 28(e) of the Securities Exchange Act of 1934, as amended, recognizes the potential conflict of interest involved in the use by an investment manager (such as Kayak) of soft dollars but provides a “safe harbor” from breach of fiduciary duty claims if certain conditions and requirements are met. Under the safe harbor, soft dollars may be used to acquire “research” and “brokerage” services and products for which a Fund would not otherwise be required to pay. Services or products generally will qualify as “research” under Section 28(e) if they constitute advice, analyses or reports any of which express reasoning or knowledge as to the value of or investing in or trading securities, or as to issuers, industries, economic factors and trends, portfolio strategy or performance, but only to the extent Kayak uses them for lawful and appropriate assistance in making investment decisions for the Funds and Kayak’s other clients. “Brokerage” services and products are those used to effect portfolio transactions for Kayak’s clients (the Funds) or for functions that are incidental to effecting those transactions (such as clearance, settlement or short-term custody related to effecting clearing or settling transactions) or required in connection with transactions. Kayak will only use soft dollars for those products or services that fall within the Section 28(e) safe harbor.

Because many services and products Kayak may receive from broker-dealers may benefit Kayak, Kayak’s interests in allocating clients’ securities transactional business may conflict with its clients’. For example, Kayak may have an incentive, in order to induce brokers and dealers to provide it with services or benefits to, among other things, cause its clients to: (i) pay higher commissions and other compensation than it would otherwise pay broker-dealers that do not provide soft dollar services or products; (ii) place more trades than would be optimal for the client’s investment strategy; (iii) use broker-dealers that do not obtain for the client the best possible price on portfolio transactions; (iv) agree to adjust negotiated commission rates upward in order to receive additional soft dollar “credits” and (v) use (and pay) broker-dealers in effect to act as intermediaries with other broker-dealers who actually execute transactions. Kayak’s agreements with its clients generally authorize Kayak to use the client’s soft dollars for a wide range of purposes, notwithstanding the conflicts of interest those uses may involve. The extent of the conflicts of interest arising out of the use of soft dollars depends in large part on the nature and uses of the services and products acquired with soft dollars. Kayak may or may not use one client’s soft dollars to pay for services and products another client pays for and, if it does, that use may not be in proportion to account size, transaction volume, or uses of those services and products. Kayak may use client soft dollars to buy products or services that benefit Kayak and/or other clients of Kayak.

“Research and Brokerage.” The types of “research” Kayak may receive from broker-dealers include (but are not limited to): reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial and industry publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software; proxy analysis services and systems (to the extent used to assist in making investment decisions), quotation services; and other products or services that may enhance Kayak’s investment decision-making. “Brokerage” services and products (beyond typical execution services) include (but are not limited to): computer systems and facilities (including hardware) used for such things as communicating orders and settlement related information electronically to executing broker-dealers and the Prime Broker, post-trade matching of trade information, communicating allocation instructions, and other clearance and settlement functions. Even where Kayak’s use of soft dollars to acquire research and brokerage services and products is protected by Section 28(e), Kayak will have a conflict of interest in connection with that use because it might otherwise have to pay cash for those services and products and it may have an incentive to use broker-dealers who provide those services and products more than it otherwise would.

Fund Expenses. Kayak may use the Funds’ soft dollars to pay some of its ongoing expenses and to reimburse itself for expenses it has advanced, such as, for example, costs and expenses of travel incurred in connection with investment activities, including investment research. Kayak could also use brokerage commissions, markups and markdowns, and other transaction-related compensation (as well as interest the Prime Brokers receive on the Fund’s cash balances, margin borrowings and borrowings of securities to maintain short positions) to pay a Prime Broker for recordkeeping, custodial and related services provided to the Funds. Under the Fund’s Investment Management Agreement with Kayak, the Funds, and not Kayak, would otherwise be obligated to bear all of these expenses. Kayak therefore does not believe that it would have a significant conflict of interest in selecting a broker-dealer in recognition of that party’s payment of them.

Other Services and Products. If Kayak receives an eligible product or service that it also utilizes for non-eligible research or brokerage purposes, it will make a good faith determination as to the cost of such “mixed-use item” between the eligible and non-eligible purposes and use soft dollars to pay only for that portion of the cost related to its eligible purpose. Generally, ineligible purposes are all or a portion of a product or service that does not aid in investment decision-making or trade execution. These are generally products or services that Kayak may utilize for administrative needs connected to its trade order management system, performance reporting and other administrative functions. In addition, in the event that Kayak receives both eligible and ineligible products and services for a bundled commission rate, Kayak will make a reasonable allocation of the cost of the product according to its use.

Procedures. Broker-dealers from which Kayak obtains soft dollar services or products generally establish “credits” based on past transactional business (including markups and markdowns on principal transactions, such as transactions with market-makers for Nasdaq securities), which may be used to pay or reimburse Kayak for specified expenses. In some cases the process is less formal; a broker-dealer simply may suggest a level of future business that would fully compensate the broker or dealer for services or products it provides. The Funds’ actual transactional business with a broker-dealer may be less than the suggested level but may exceed that level, and credits established may exceed the amounts used to acquire services and products. This may be in part because the Funds’ investment activities generate aggregate commissions in excess of the levels of future business suggested by all broker-dealers who provide services and products. And it may be in part because those broker-dealers may also provide superior execution and may therefore be most appropriate for particular transactions. Kayak may ask a broker-dealer who is executing a transaction for several accounts

(see the discussion below regarding aggregation of orders) to “step out” of a portion of the transaction in favor of a broker-dealer who has provided or is willing to provide products or services for soft dollars. That is, the executing broker-dealer will allow a portion of the overall commissions or other compensation to be paid to the soft-dollar broker-dealer. This assists Kayak in acquiring products and services with soft dollars while providing the benefits of aggregated transactions described below. It may result in the Funds paying additional commissions or other transaction compensation to the broker-dealer to whom the Funds’ portion of an aggregated transaction is “stepped out” and therefore incurring higher transaction costs for that transaction than do other clients of Kayak who are buying or selling the same security at the same time.

These procedures are generally consistent with the requirements of Section 28(e).

Kayak and/or its related persons or funds may buy or sell specific securities for its or their own account that are not deemed appropriate for the Fund or Separately Managed Accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments for the Fund are made. Where execution opportunities for a particular security are limited, Kayak attempts in good faith to allocate such opportunities among clients in a manner that, over time, is equitable to all its clients.

Aggregation of Orders. Kayak may combine Client orders. When it does, Kayak will allocate the proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Kayak believes that combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a particular client than if that client had been the only account effecting the transaction or had completed its transaction before the other participants. However, the average price could be less advantageous to the Fund than if the Fund had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Kayak’s interest in the Fund, there may be circumstances in which the Fund’s transactions may not, under certain laws and regulations, be combined with those of some of Kayak’s and its affiliates’ other clients, and the Fund may obtain less advantageous execution than those other Clients.

Kayak may place orders for the same security for different Clients at different times and in different relative amounts due to, among other things, differences in investment objectives, cash availability, size of order and practicability of participating in “block” transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client. Kayak has adopted policies and procedures intended to ensure that its trading allocations are fair to all its clients. In addition, Kayak and/or its related persons or funds may buy or sell specific securities for its or their own account that are not deemed appropriate for a Client at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments for the client are made. Where execution opportunities for a particular security are limited, Kayak attempts in good faith to allocate such opportunities among clients in a manner that, over time, is equitable to all its clients.

Cross Transactions. Kayak may, but is not obligated to, cause Clients to effect “cross” transactions (i.e. buy and sell securities from and to each other), subject to applicable law or regulation. Kayak may do so, if Kayak believes that the cross transactions will be beneficial to both parties. ERISA and other laws or regulations may prevent a Client from engaging in cross transactions that could be beneficial to the Client.

Investment Opportunities. It is Kayak’s general policy to allocate purchase or sale opportunities on a pro rata basis to all appropriate accounts. At times, however, the Investment

Manager may Clients to effect transactions that differ in substance, timing and amount. This may be due to, among other things, differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities to the particular Clients, limitations on the availability of particular investment or transactional opportunities, tax and regulatory treatment, or differences in withdrawal or redemption rights. Kayak will allocate transactions and opportunities among the various accounts it manages in a manner it believes to be the most equitable and consistent with its fiduciary obligations to its Clients, considering each account's objectives, programs, limitations, risk profile, and capital available for investment, but even accounts managed on a *pari passu* basis will often have different investment portfolios.

Neither Kayak, nor any of its principals or affiliates has any obligation to provide a Client with any particular investment opportunity. Kayak may engage in transactions on behalf of Clients with or involving (including investing in) companies in which Kayak or its affiliates have an interest. If the Client invests in securities issued by a company of which the Kayak is considered an affiliate or to own beneficially more than 10% of the outstanding voting securities, the Kayak could face potential adverse economic consequences if the Client were to buy or sell that company's securities. The potential for such consequences could create an incentive for Kayak to avoid transactions in the securities that would otherwise be beneficial for a Client.

Notwithstanding these conflicts, Kayak will allocate transactions and opportunities among the various accounts it manages in a manner it believes to be the most equitable and consistent with its fiduciary obligations to its Clients, considering each account's objectives, programs, limitations, risk profile, and capital available for investment. Kayak has adopted a Code of Ethics and conduct that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated Kayak, and establishes procedures intended to prevent Kayak and its personnel, and certain of their relatives, from inappropriately benefiting from the Kaya's relationships with its clients

Item 13: Review of Accounts

Review of Accounts

Kayak's portfolio manager reviews all Funds on at least a monthly basis to assure conformity with the investment objectives and guidelines of the Funds. In addition, all accounts are reviewed in light of emerging trends and developments.

Reporting

Investors receive monthly estimated Fund performance and unaudited account statements, and annual audited financial statements.

Item 14: Client Referrals and Other Compensation

Kayak has no client or investor referral agreements in place and does not pay third parties a fee or compensation for the referral of a client or investor to Kayak. Kayak does not receive any compensation or other economic benefit from any party other than any "soft dollar" benefits described in *Item 12: Brokerage Practices*.

Item 15: Custody

Kayak maintains the Funds' assets in the custody of unaffiliated broker-dealers or banks, so called "qualified custodians," as required by Rule 206(4)-2 under the Investment Advisers Act.

The Funds and Separately Managed Accounts obtain custodial, clearing and related services through what is known as a “prime brokerage” arrangement. Under this type of arrangement, a “Prime Broker” (i) maintains custody of the Fund’s or Separately Managed Accounts’ assets (either directly or through affiliated companies or subcustodians); (ii) provides margin credit and locates securities to borrow to facilitate short sales; (iii) arranges for the receipt and delivery of securities bought, sold, borrowed and lent; (iv) makes and receives payments for securities; (v) tenders securities in connection with tender offers, exchange offers, mergers or other corporate reorganizations; (vi) provides Kayak detailed portfolio and related reports; and (vii) provides related services. The Fund’s and Separately Managed Accounts’ arrangements with the Prime Brokers permits the Funds and Separately Managed Accounts to maintain a single custodial relationship, while using other brokers (in addition to the Prime Brokers) to execute transactions, thereby enabling Kayak to seek valuable research and to compare execution quality and commission rates. By using a Prime Brokers rather than a bank or other institutional custodian for these functions the Fund also may avoid paying custodial fees that banks charge other institutional investors. The Master Fund compensates the Prime Brokers through interest on credit balances, margin borrowings, stock loans and brokerage commissions. It is possible that a material amount of the Master Fund’s capital will be treated by the Prime Brokers as margin and collateral.

Credit Suisse Securities (USA) LLC and Morgan Stanley & Co., LLC. serve as the Master Fund’s current Prime Brokers. The Funds may change the Prime Brokers, use additional Prime Brokers, alter the terms of its arrangements with each Prime Broker, or make alternative arrangements to receive the services currently provided by the Prime Brokers, all in Kayak’s sole discretion. Notwithstanding its prime brokerage arrangements, there may be times when a portion of the Master Fund’s assets will be deposited as collateral with financial institutions that serve as counterparties to derivative instruments to which the Fund is a party. The Prime Brokers may appoint sub-custodians for portions of the Fund’s assets held in prime brokerage accounts.

In addition, Kayak Management LLC, as the general partner of the US Fund, is deemed to have custody over the assets of that Fund. That is because the general partner of a partnership has broad authority to take possession of the partnership’s assets. Kayak generally also has the ability to instruct the custodians to deduct fees directly from the Funds’ account, which the SEC also considers to be a form of “custody.”

Kayak employs various safeguards to balance its “custodial” powers. For example, a reputable, PCAOB²-registered independent accountant performs an annual audit of each Fund’s financial statements. All investors receive these audited financial statements, prepared in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Funds’ fiscal year. In addition, the Funds employ an independent third-party administrator, which calculates management fees and other compensation, and prepares and sends monthly statements to investors.

Item 16: Investment Discretion

Kayak has full investment discretion over all client accounts. Clients grant Kayak that discretion through the execution of an investment management agreement or limited

² PCAOB is the Public Company Accounting Oversight Board, a nonprofit corporation established by Congress to oversee the audits of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, accurate and independent audit reports. The PCAOB also oversees the audits of broker-dealers, including compliance reports filed pursuant to federal securities laws, to promote investor protection.

partnership agreement or similar contract. By signing a subscription application, each investor in the US Fund (which is a U.S. limited partnership) also grants Kayak discretion through a power of attorney. Except for the general investment guidelines set forth in the Offering Memorandum of the Funds, there are no limitations on Kayak's investment authority.

Item 17: Voting Client Securities

Proxy Voting Policy

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, Kayak has adopted and implemented written policies and procedures governing the voting of client securities. Kayak seeks to handle the voting of client proxies in the best interests of its clients. Specifically, Kayak decides how to vote a proxy on behalf of clients after considering a proposal's merits and considers both qualitative and quantitative factors in deciding how to vote. Kayak reviews all proxy solicitation materials and evaluates such information. Kayak's policy is generally to vote against any management proposals that the Firm believes could prevent companies from realizing their maximum market value or would insulate companies and/or management from accountability to shareholders.

Business Operations

Kayak generally votes in favor of proposals that are a standard and necessary aspect of business operations and that will not have a significant negative effect on the value of the company.

Such proposals include, but are not limited to:

- Name changes
- Election of directors
- Ratification of auditors
- Maintaining current levels of directors' indemnification and liability
- Increase in authorized shares (common stock only) if there is no intention to significantly dilute shareholders' proportionate interest
- Employee stock purchase or ownership plans

Change in Status

Proposals that change the status of the corporation, its individual securities, or the ownership status of the securities will be reviewed on a case-by-case basis. Changes in status include proposals regarding:

- Mergers, acquisitions, restructurings
- Reincorporations
- Changes in capitalization

Shareholder Democracy

The Firm generally will vote against any proposal that attempts to limit shareholder democracy in a way that could restrict the ability of the shareholders to realize the value of their investment. This would include proposals endorsing or facilitating:

- Increased indemnification protections for directors or officers

- Certain supermajority requirements
- Unequal voting rights
- Classified boards
- Cumulative voting
- Authorization of new securities if the intention appears to be to unduly dilute the shareholders' proportionate interest
- Changing the state of incorporation if the intention appears to disfavor the economic interest of the shareholders

The Firm generally supports proposals that maintain or expand shareholder democracy such as:

- Annual elections
- Independent directors
- Confidential voting
- Proposals that require shareholder approval for:
 - Adoption or retention of "poison pills" or golden parachutes
 - Elimination of cumulative voting or preemptive rights
 - Reclassification of company boards

Kayak reviews its proxy voting policy annually in order to determine if it is necessary to amend the current policy.

Item 18: Financial Information

Kayak is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients. Kayak has not been the subject of a bankruptcy petition.