

DISCLOSURE BROCHURE FORM ADV PART 2A

Aspen Capital Advisors Inc.

590 Madison Avenue, 7th Floor, New York, NY 10022

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This Disclosure Brochure Form ADV Part 2A (this “Brochure”) provides information about the qualifications and business practices of Aspen Capital Advisors Inc. If you have any questions about the contents of this Brochure, please contact us at (646) 289-4953 and/or through our website at www.aspen-capital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Aspen Capital Advisors Inc. is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. Additional information about Aspen Capital Advisors Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This item discusses only material changes to the latest version of the Brochure prepared by Aspen Capital Advisors Inc., dated March 28, 2018. There has been one material change to the Brochure from the previous version. Under Item 14, Client Referrals and Other Compensation, the Adviser has engaged Aon Securities Inc. (“Aon”) in an agreement to serve as placement agent for Aspen Cat Fund Ltd. The Adviser compensates Aon directly and neither investors nor clients are charged additional amounts relating to Aon’s services under the agreement.

The Brochure will be updated on an annual basis and any material changes to it will be identified in this section.

This Brochure may be requested by contacting Investor Relations at IR@aspen-capital.com.

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Item 4 – Advisory Business

Aspen Capital Advisors Inc. (the “Adviser”) was formed as a Delaware corporation in 2013. The Adviser is a wholly owned subsidiary of Aspen (US) Holdings Limited, a United Kingdom company, which in turn is a wholly owned subsidiary of Aspen Insurance Holdings Limited (“Aspen”), a leading global insurance and reinsurance group and publicly traded company listed on the New York Stock Exchange. The Adviser acts as the investment advisor to a private investment fund, Aspen Cat Fund Limited, a Bermuda company (the “Fund”) which invests in tradable securities tied to weather, natural disasters or other insurance risks. The Fund is open for investment through private placements limited to qualified institutional buyers or qualified purchasers, such as large institutions, high net worth individuals or family offices that meet certain suitability requirements.

In addition to investing in tradable securities tied to weather, natural disasters and other insurance risks, the Fund may enter into private bilateral transactions and structured notes that may be governed by the International Swap and Derivatives Association.

The Fund may also make preferred equity investments into reinsurance vehicles in order to access the reinsurance market. These are generally non-tradeable securities and are tied to the performance of a pool of reinsurance contracts.

To create additional access to the reinsurance market, the Fund currently utilizes Peregrine Reinsurance Ltd (“Peregrine”) which writes collateralized property catastrophe reinsurance via a fronting arrangement with Aspen Bermuda Limited, a Bermuda based provider of reinsurance (see Item 10, ‘Other Financial Industry Activities and Affiliations’) . The Fund has no exposure beyond the collateral posted to support Peregrine’s obligations.

The Adviser may form and manage additional privately offered pooled investment vehicles in the future and, from time to time, may customize funds for single investors or groups of investors or manage separately managed accounts of other qualified clients on a limited basis.

The Adviser’s net assets under management as of May 31, 2018 were \$94,958,868 on a discretionary basis. The Adviser does not manage any assets on a non-discretionary basis. The amount disclosed under this item is calculated based on net assets, which differs from the Adviser’s “regulatory assets under management” disclosed under Part 1 of Form ADV.

An offering to invest in the Fund may be made only by means of the Fund’s Offering Memorandum.

Item 5 – Fees and Compensation

A. Fees. Aspen Capital Management, Ltd, a Bermuda company licensed as an insurance manager and agent (the “Manager”) under the Insurance Act 1978, as amended (the “Insurance Act”), is an affiliate of the Adviser. The Manager provides certain management and administrative services to the Fund and to Peregrine and provides all underwriting, agency, claims management and related services to Peregrine, pursuant to a Management Agreement. Given that reinsurance is a regulated business that may be conducted in Bermuda only through a licensed reinsurer, all of the reinsurance and retrocessional contracts to be written on behalf of the Fund are written by and through Peregrine. Peregrine is an exempted company incorporated under the laws of Bermuda and is licensed as a special purpose insurer under the Insurance Act.

The Manager, and not the Fund, compensates the Adviser for its investment advisory services to the Fund out of the fees payable by the Fund to the Manager as described below. The Manager considers the services provided to the Fund by the Adviser and allocates fees as it deems appropriate.

In the future, the Adviser may negotiate its fees with other privately offered pooled investment vehicles, customized funds for single investors or groups of investors or separately managed accounts.

The Manager’s Management Fee

Pursuant to a Management Agreement between the Fund, Peregrine and the Manager, the Fund pays the Manager a monthly management fee (the “Management Fee”) in advance equal to 1/12 of 1% of the net asset value of the outstanding shares of the Fund (Shares) as of the first day of such month, before the accrual of any Incentive Fee. The Management Fee payable with respect to a given month shall be paid in U.S. dollars within 10 business days after the first day of such month. With the prior written consent of the Manager, the Management Fee may be waived, reduced or calculated differently with respect to any class or series of Shares or with respect to any shareholder of the Fund.

If the Fund issues a special series of non-redeemable shares (“Series S Shares”) in respect of illiquid investments the value of which cannot be determined with reasonable certainty (“Special Investment”), no Management Fee will be payable with respect to such Series S Shares until a full or partial realization event has occurred with respect to the Special Investment underlying such Series S Shares. At that time, a Management Fee at the rate of 1% per annum of the realized value of the Series S Shares calculated for the time period that the Series S Shares were outstanding will become due and payable. The Management Fee payable

with respect to any Series S Shares will be prorated for the number of days that the relevant Series S Shares were outstanding.

The Manager's Incentive Fee

The Fund pays the Manager an incentive fee (the Incentive Fee) with respect to each investor in the Fund equal to 10% of the aggregate Net Profit (as defined below) attributable to each outstanding class, series or sub-series of Shares of the Fund held by such investor. The Incentive Fee will be accrued monthly and will be payable at the end of each fiscal year, or if earlier, upon the termination of the Management Agreement. A pro rata portion of any accrued Incentive Fee shall also be payable upon the redemption or transfer of Shares.

"Net Profit" for any class, series and sub-series of Shares held by an investor in the Fund for any period is the appreciation of the net asset value of such class, series or sub-series of Shares for such period. Net Profit is not reduced by any Incentive Fees previously paid. For the purpose of calculating the Incentive Fee, the value of any Series S Shares in issue will be disregarded. Upon the disposition or reclassification of any Special Investment as a non-Special Investment the net asset value of the corresponding Series S Shares immediately prior to their conversion into non-Series S Shares will be added back and included in Net Profit for the corresponding period.

The Incentive Fee payable with respect to a given investor in the Fund shall be paid in U.S. dollars within 10 business days after each period for which an Incentive Fee is determined to be payable or as soon thereafter as is reasonably practicable upon the finalization of the net asset value of the Shares for the relevant period. With the prior written consent of the Manager, the Incentive Fee may be waived, reduced or calculated differently with respect to any class or series of Shares or with respect to any investor in the Fund.

B. Deductions. Management and Incentive fees are charged as earned and deducted from the assets of the Fund investors' accounts.

C. Expenses. In addition to the Management Fee and the Incentive Fee, the Fund bears its own organizational and operating expenses and shall promptly reimburse the Advisor for any such expenses incurred by the Advisor on behalf of the Fund and for all reasonable out of pocket costs and expenses paid by the Advisor, directly or indirectly to third parties, in providing its services to the Fund. Expenses borne by the Fund include without limitation all costs of incorporation of the Fund including the expenses of the preparation of any private placement memoranda or other offering materials, legal and printing charges, stamp duties, incorporation fees and other preliminary expenses, legal fees and other fees and expenses incurred in connection with regulatory filings required of the Fund or incurred in connection with its operations or investments, including blue sky and corporate filing fees and expenses;

any and all investment-related expenses (e.g., expenses that, in the Advisor's discretion, are related to the investment of the Fund's assets, whether or not such investments are consummated, such as brokerage commissions, loads, hedging expenses, interest charges and other fees and costs of borrowing, expenses relating to short sales, custodial fees, bank service fees and clearing and settlement charges); underwriting expenses (including broker commissions, trustee fees, fronting fees payable to Aspen and any other fronting carriers and loss reserve specialist fees); investment-related travel, lodging and other out-of-pocket expenses incurred by personnel and directors of the Advisor incurred in connection with the investments, business, operations or management of the Fund (including without limitation in connection with the research and due diligence of potential investments whether or not consummated); professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to the operation of the Fund or to the management of its assets; fees and expenses of any administrators or custodians acting on behalf of the Fund; fees and expenses relating to software tools, programs or other technology utilized in managing the Fund's assets (including third-party software licensing (e.g. catastrophe modeling software and data), implementation, data management and recovery services and custom development costs); research and market data (including any computer hardware and connectivity hardware (e.g., telephone and fiber optic lines, Bloomberg fees) incorporated into the cost of obtaining such research and market data; wind-up and liquidation expenses; indemnification expenses; premiums and fees for insurance to benefit, directly or indirectly, the Fund and any persons whom the Fund has agreed to indemnify out of its own assets, directors' and officers' liability insurance or other similar insurance policies; fees and expenses relating to Shareholder meetings and conferences; costs of printing and mailing reports and notices; corporate licensing fees; withholding and transfer fees; entity-level taxes or other taxes, fees or expenses related to the purchase, sale or transmittal of Fund assets; audit and tax preparation expenses; tax reporting expenses (e.g. FACTA, CRS or PFIC reporting as well as third-party service providers assisting with such reporting) accounting expenses; expenses relating to the maintenance of registered offices; and extraordinary or non-recurring expenses (including any extraordinary legal or litigation costs or expenses and the cost of settlement of any claims).

As an investor in Peregrine, the Fund also indirectly bears the operating expenses of Peregrine, including those outlined above. In the event the Fund invests in Aspen affiliated or non-affiliated other special purpose vehicles, reinsurance sidecars or similar investments, it will also indirectly bear the operating expense of such vehicle(s).

The foregoing list of expenses is not intended to be exhaustive and may be amended, supplemented or updated by the Adviser from time to time.

D. Advance Payment of Fees. The Fund pays the Management Fee in advance as described above. Fund investors will be reimbursed pro-rata for any prepaid fees upon termination of their investment.

E. Compensation for Securities Sales. Neither the Adviser nor any of its Supervised Persons receive compensation for the sale of the Fund interests or shares to investors or for the sale of securities or other investment products. Supervised persons are employees, officers, directors of the Adviser or other persons providing advice on behalf of the Adviser under the Adviser's supervision and control. The Adviser may share its advisory fees with agents involved in marketing the Fund.

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

The Adviser's fees may include payments by the Manager from its incentive allocations, which are based on a percentage of Net Profits. In measuring Net Profit for the calculation of incentive allocations, the Manager includes realized and unrealized gains and losses. Incentive allocation arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Currently, the Fund is the only client of the Adviser. However, the Adviser has procedures designed and implemented to ensure that all classes, series or sub-series of shares in the Fund, or any future clients, are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among the classes or series of Fund shares, or any future clients.

Item 7 – Types of Clients

The Adviser currently provides advice to the Fund. Investors in the Fund must be qualified institutional buyers or qualified purchasers and must be able to satisfy certain minimum suitability requirements. The Fund's minimum investment amount is generally \$5,000,000 but the Manager has discretion in accepting smaller investment amounts.

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

Methods of Analysis and Investment Strategies. The Adviser's strategy is to provide investors in the Fund with returns that are not correlated to traditional financial markets by offering products tied to weather, natural disasters or other insurance risks. The Adviser advises the Fund on particular investment instruments, and on the terms of the investment instruments,

pursuant to the investment objectives and strategies of each client. In making investment decisions, the Adviser uses an extensive investment process which includes historical analysis, market comparable analysis and review of third party catastrophe modeling software. The Adviser likewise benefits from service level agreements which cover underwriting and modeling services between the Fund and Aspen. In addition, the Adviser has developed proprietary models for use in portfolio construction and optimization.

Risk of Loss. Despite a rigorous underwriting process, investors should be aware that catastrophes by their nature are difficult or impossible to predict and there is a significant risk of loss that they should be prepared to bear.

Additionally, investors should carefully consider the following other material risks, among others:

Reliance on the Adviser and its Personnel and Affiliates. The Adviser has complete discretion in investing the Fund's assets. The Fund's success depends, to a large extent, on the Adviser's ability to select investments and allocate assets. There can be no assurance that the Adviser will be successful. The death, disability or cessation of employment of personnel of the Adviser could have a material adverse effect on the investment performance of the Fund. The Adviser also relies on Aspen for modeling, underwriting and other reinsurance services pursuant to various agreements and the termination or modification of such agreements could have a material adverse effect on the Fund's investment performance.

Restricted Liquidity and Limited Transferability of Fund Interests. Investors are not able to redeem or withdraw their shares or interests in the Fund, except periodically upon notice as set forth in the governing documents of the Fund, and subject to other limitations or conditions on the ability to receive redemption or withdrawal proceeds. There is no market for Fund shares or interests, and investors are not permitted to assign or transfer their Fund shares or interests, except with the Fund's prior written consent.

Development Class Investments. Pursuant to the terms and as described in more detail in the Fund's governing documents, the Adviser may declare one or more portfolio investments of the Fund which is illiquid or incapable of ready valuation to be a "development class investment". Investors may not redeem or withdraw their shares or interests in the Fund to the extent of such Fund's interest in such development class investments, and investors will be required to hold such development class investment shares or interests indefinitely, until the underlying development class investment is realized or capable of ready valuation.

Lack of Diversification. At times, the Fund may make concentrated investments in a particular peril or geographic region. As a result, a particular loss could have a material adverse effect on the Fund's investment performance.

Leverage. The Adviser may cause the Fund to access non-recourse leverage, by use of, among other methods, structured derivatives transactions, such that the Fund will be able to invest in a total notional amount of risk in excess of the net assets of the Fund. This may increase the magnitude of losses and increase the amount of investment concentration.

Absence of Regulation. The Fund is a privately offered pooled investment vehicle that does not have the regulatory protections afforded to U.S.-registered investment companies or other similar vehicles. The Fund's shares are not registered for sale to the public in the United States or in any jurisdiction.

Conflicts of Interest. The Adviser could be subject to various conflicts of interest in its relationship with the Fund and the Adviser's affiliates. The Adviser may in the future manage a number of different Funds with similar or different investment objectives, strategies and guidelines, which may compete with the Fund and present conflicts in the allocation of investment opportunities. The Adviser will seek to allocate transactions among participating Fund accounts on a basis that is fair and equitable to all Fund accounts, taking into account any relevant factors, such as account size, or applicable investment objectives, guidelines or restrictions.

Specific Risks of Loss. There are various material risks that are attendant to the specific investment instruments utilized by the Adviser for the Fund of which investors should be aware. The material risks are set out below.

Risk of Loss Due to Catastrophic Events. The Fund may invest in instruments, the investment returns of which are related to the occurrence of catastrophic or other events which traditionally are the subject of insurance. Such instruments, including insurance-linked securities, may be subject to the risk of loss or reduction of principal and for interest due to the occurrence of catastrophic or other events. Similarly, instruments such as preferred equity investments in Peregrine or other reinsurance vehicles may expose the Fund to losses in both interest and principal. The Adviser believes that the greatest risk to the Fund's investments is a hurricane, earthquake, tornado, or similar catastrophe striking a heavily populated area, including but not limited to, the U.S., Europe or Japan.

Unpredictability of Risk. With respect to insurance-based instruments, prospective investors should be aware that the type, frequency and severity of catastrophic events are inherently unpredictable. While the economics of such instruments may rely on the type, frequency and

severity of certain catastrophic or other events, such events are difficult or impossible to predict or model with any degree of accuracy, and therefore the expected return on an investment with respect to such instruments is difficult to calculate. Certain insurance-based instruments may include exposure to the risk of large, unexpected losses resulting from future man-made catastrophic events, including but not limited to, explosion and fire which may affect marine, energy, property, aviation, terrorism and similar lines of business. Man-made catastrophic events are inherently unpredictable, particularly in relation to frequency and severity of losses. It is difficult to predict the timing of such events with statistical certainty or to estimate the amount of loss that any given occurrence will generate. While the Adviser will make assessments regarding the expected investment return on insurance-based instruments, because of the unpredictability of the catastrophic or other events upon which investment return may be based, there can be no assurance that the investment return provided by such instruments will be adequate to compensate the Fund for the risk borne thereby.

Modeling Risk. Investment performance is dependent upon the Adviser's ability to assess accurately the risks associated with the insurance-based instruments in which it invests. The results of analyses performed by either the Adviser, using Aspen's proprietary catastrophe models, or third party catastrophe risk modeling firms such as AIR or RMS cannot be viewed as facts, projections or forecasts of future catastrophic losses, and cannot be relied upon as an indication of the future return on client portfolios. Actual loss experience can materially differ from that generated by such models. Loss distributions produced by such models constitute estimated losses based on assumptions relating to environmental, demographic and cost factors, many of which represent subjective judgments, are inherently uncertain and are beyond the control of the Adviser, Aspen or the respective modeling firm. The assumptions or methodologies used by the Adviser or such firms may not constitute the exclusive set of reasonable assumptions or methodologies and the use of alternative assumptions or methodologies could yield results materially different from those generated. Further uncertainties arise from insufficient data, limited scientific knowledge, alternative theories governing empirical relationships and the random nature of catastrophic events themselves.

No model of catastrophe events is, or could be, an exact predictor of reality. These models rely on various assumptions, some of which are subjective and some of which vary between reinsurers and between the different catastrophe risk modeling firms. Accordingly, the loss estimates produced by such models are themselves based upon subjective determinations and subject to significant uncertainty. Modeling assumptions are reviewed from time to time in the light of new meteorological, engineering and other data and information and loss estimates may be refined as such information becomes available. Such refinements may materially alter, and have in the past materially altered, the loss estimates currently generated by these models.

The loss probabilities generated by either the Adviser's models or by third-party models are not predictive of future catastrophic events, or of the magnitude of losses that may occur. Actual frequency of catastrophic events and their attendant losses could materially differ from those estimated by such models. Indeed, models cannot be relied on to predict any single specific event, and modeling software has failed to predict the catastrophes in the past. Potential investors should not view the loss probabilities generated by such models as, in any way, predicting the likelihood of the event occurrence or loss.

Cyclical Fluctuations. The insurance and reinsurance industry has historically been cyclical. It is characterized by periods of intense competition on price and policy terms and conditions due to excessive underwriting capacity (a "soft" market) and periods when shortages of capacity permit favorable premium levels (a "hard" market). The supply of insurance and reinsurance has increased over the past several years as a result of capital provided by new entrants to the market and the commitment of additional capital by existing or new insurers or reinsurers, which has caused premium rates to decrease. Further development of these factors could lead to a significant reduction in premium rates, less favorable policy terms and conditions and fewer opportunities for our investment services. In addition, changes in the frequency and severity of losses suffered by insureds and insurers may significantly affect the cycles of the insurance and reinsurance business. The property catastrophe reinsurance business is currently in a prolonged phase of the soft market cycle and, as a result, most products are experiencing varying degrees of rate pressure. To the extent these trends continue, investment returns may be adversely affected.

Risk of Emerging Claims and Coverage. As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. These issues may adversely affect the reinsurers and insurance-based instruments in which a client may invest by either extending coverage beyond the relevant insurer's underwriting intent or by increasing the number or size of claims. In some instances, these changes may not become apparent until long after the relevant insurer or reinsurer has assumed risks under a contract that is affected by the changes. The monetary impact of these claims also may be hard to predict or ascertain upon inception, and potential losses from such claims can be significant.

Risk that Claims Exceed Loss Estimates. Investment returns may depend in part on the Adviser's and/or the applicable insurance manager's ability to assess accurately the risks associated with the subject business of a given reinsurer in which the client invests. If the Adviser or the relevant insurance manager fails to assess these risks accurately, or if events or circumstances cause these estimates to be incorrect, appropriate premium rates may not be established. If the actual claims experience of a reinsurer in which the client invests is less

favorable than the reinsurer's underlying assumptions, the reinsurer will be required to increase its liabilities, which may result in losses to investors.

Reserves are actuarial and statistical projections at a given point in time of expected payments on claims and benefits, based on facts and circumstances then known, estimates of future trends in claim frequency and severity, mortality and other variable factors such as inflation. A reinsurer's actual losses may deviate, perhaps substantially, from the reserve estimates contained in its financial statements. Reinsurance reserves are subject to greater uncertainty than insurance reserves because a reinsurer relies on the original underwriting decisions made by ceding companies and because there is generally a longer lapse of time from the occurrence of the event to the reporting of the loss or benefit to the reinsurer to the ultimate resolution or settlement of the loss.

Risk of Global Climate Change. Weather patterns, including the frequency and severity of severe weather events, are believed to be influenced by cyclical phenomena operating over periods of months or years. There is widespread consensus in the scientific community that there is a long term upward trend in global air and sea temperatures and that this is likely to increase the severity of severe weather events over the coming decades. In addition, rising sea levels are expected to add to the risks associated with coastal flooding in many geographical areas. Large scale climate change could increase both the frequency and severity of our loss costs associated with property damage and business interruption due to storms, floods and other weather-related events. Over the long-term, global climate change could impair the Adviser's ability to predict the costs associated with future weather events and could also give rise to new environmental liability claims.

Given the scientific uncertainty of predicting the effect of climate cycles and climate change on the frequency and severity of natural catastrophes and the lack of adequate predictive tools, the Adviser may not be able to adequately model the associated exposures and potential losses in connection with such catastrophes which could have a material adverse effect on performance.

Derivative Instruments. The Fund may invest in various forms of over-the-counter derivative instruments (such as swaps, over-the-counter equity or other derivatives). Over-the-counter derivative instruments are not traded on an exchange or subject to direct government regulation. Rather, these instruments are traded through an informal network of brokers, banks and other dealers, and in light of the unregulated nature of the agreements evidencing the transactions, can apply discretionary margin and credit requirements. Some instruments traded in the over-the counter market may have fewer market makers, wider spreads between their quoted bid and ask prices and lower trading volumes, resulting in comparatively greater

price volatility and less liquidity than the securities of companies that have larger market capitalizations and/or that are traded on major stock exchanges or the market averages in general.

Lack of Liquidity, Markets and Instruments. The markets for many of the Fund's investments in insurance-based instruments have limited liquidity and depth which could disadvantage the Fund, both in the realization of the prices which are quoted and in the execution of orders at desired prices. With respect to insurance-based instruments, the transfer of many of such instruments may be limited by securities laws restrictions and other restrictions that may be set forth in the terms of the security. Many of such securities do not have an established market; therefore, resale of such securities may be difficult or impossible.

Credit Ratings. Credit ratings risk is inherent in certain of the insurance-based instruments that will be part of the Fund's investment portfolios (e.g., catastrophe bonds and other insurance-linked securities offered by special purpose entities). When possible, decisions to invest in these securities will take into account any credit ratings issued by major rating agencies, such as Moody's Investors Service, Inc. or Standard & Poor's Financial Services LLC. Because not all of the instruments that will comprise a client's portfolio are expected to be rated, the Adviser will be guided by its internal guidelines for acceptable ratings surrogates. However, the insurance-based instruments in which the Fund may invest need not have any particular rating of creditworthiness.

Risks Specifically Associated with Insurance-Based Instruments. Ownership of insurance-linked or catastrophe securities involves a degree of risk because of a number of characteristics which may be common to such securities, such as the following:

- Limited Resources of Issuers. The issuers of such securities often are thinly capitalized, special-purpose entities that do not have ready access to additional capital. In the event of unanticipated expenses or liabilities, such entities may not have the resources available to pay such expenses or liabilities or the required interest and/or principal on their issued securities.
- Investments of Issuers. The ability of issuers of insurance-linked or catastrophe securities to provide the expected investment returns on their issued securities is based in part on such entities' investments, which may be subject to credit default risk, interest rate risk and other risks.
- Regulation. Entities that issue insurance-linked or catastrophe securities may be subject to substantial regulation of their insurance and other activities. Such regulation can lead

to unanticipated expenses that may result in such an entity being unable to satisfy its obligations, including those related to its issued securities. Conversely, because such entities often are domiciled in non-U.S. jurisdictions, such entities may not be subject to the same degree of regulatory oversight to which investors may be accustomed to seeing issuers and insurance companies subject in the U.S. Similarly, because such entities often are subject only to the laws of non-U.S. jurisdictions, it could be difficult for an investor in such an entity to make a claim or enforce a judgment against the entity or its directors or officers. Because insurance-based instruments have certain features and an investment return that may be based on the occurrence of events which traditionally are the subject of insurance, it is possible that insurance regulatory authorities or courts could determine that the purchase or holding of such securities or the writing of such derivatives constitutes the conduct of the business of insurance or reinsurance, which may have a material adverse impact on client accounts.

- Subordination. Insurance-linked or catastrophe securities often are subordinated to other obligations of the issuer, such as those obligations to a ceding insurer. Consequently, if such an entity incurs unexpected expenses or liabilities in connection with its activities, the entity may be unable to pay the required interest and/or principal on its issued securities.

Cybersecurity. The information and technology systems of the Adviser, the Manager, Aspen, the administrator of the Fund and other vendors may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users), usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Adviser, the Manager, Aspen, the Fund and/or vendors may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser, the Manager, Aspen, the Fund, or a vendor and result in financial losses, violations of applicable privacy and other laws and a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the reputation of the Adviser, the Manager, Aspen, the Fund and/or a vendor, subject any such entity and its respective affiliates to legal claims or otherwise affect their business and financial performance. In addition, cyber-attacks may render records of the Fund and other data integral to the functioning of the Fund inaccessible

or inaccurate or incomplete. Substantial costs may be incurred by the Adviser, the Manager, Aspen, the Fund or vendor in order to resolve or prevent cyber incidents in the future.

The foregoing is only a brief summary of certain risks relating to the Fund and its investments. There can be no guarantee that the Adviser's investment recommendations will be successful or that the Fund's investment objectives will be achieved.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Adviser or the integrity of the Adviser's management. The Adviser has no information to disclose under this Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

The Adviser was founded in 2013 by Aspen. Aspen, with assets of approximately \$12.9 billion as at December 31, 2017, is domiciled in Bermuda and operates across three primary underwriting platforms (the U.K., Bermuda and the U.S.). Aspen has approximately 1,300 employees in ten countries. Founded in 2002, Aspen has been listed on the New York Stock Exchange since 2003 (NYSE: AHL). The Adviser is a wholly owned indirect subsidiary of Aspen.

The Manager which is a subsidiary of Aspen and therefore an affiliate of the Adviser, provides certain management and administrative services to the Fund and to Peregrine. The Manager compensates the Adviser for its investment advisory services to the Fund out of the fees payable by the Fund to the Manager as described in item 5. The Manager considers the services provided to the Fund by the Adviser and allocates fees as it deems appropriate.

Aspen and its affiliates, their employees and Supervised Persons, or Access Persons are or may in the future be investors in the Fund, and such investments may be significant from time to time. Such investments may create an incentive for the Adviser to manage the Fund differently than it would absent such personal investments. However, the Adviser will endeavor to act only in the best interests of the Fund in the management of the Fund. Access Persons include any Supervised Person of the Adviser and any employee of or other person working or associated with Aspen or its affiliates who in relation to the Fund (1) has access to non-public information regarding any purchase or sale of securities of the Fund, or non-public information regarding the holdings of the Fund or (2) is involved in making securities recommendations or has access to such recommendations to the Fund that are non-public.

As described in item 4., Peregrine is also an indirect subsidiary of Aspen and is licensed as a special purpose insurer under the Insurance Act under the sponsorship of Aspen for the

principal purpose of writing reinsurance and retrocessional contracts for the benefit of the Fund, which owns 100% of the preference shares of Peregrine. In this way the Fund currently utilizes Peregrine to access such risks. The Fund is currently the only client of the Adviser, and the source of its fees. Peregrine writes collateralized property catastrophe reinsurance via a fronting arrangement with Aspen Bermuda Limited, a Bermuda based provider of reinsurance, and a direct subsidiary of Aspen.

Aspen Bermuda Limited, Aspen Insurance UK Limited, Aspen American Insurance Company, Aspen Specialty Insurance, and Aspen Managing Agency Limited, as referenced in ADV Part 1 Section 7A, are wholly owned direct or indirect subsidiaries of Aspen and offer property and casualty insurance and reinsurance services. These companies may compete for insurance and reinsurance business with Peregrine and thus could affect the results of the Fund which is currently the only client of the Adviser, and the source of its fees.

As a result of the above, the Adviser has three distinct and separate relationships with Aspen or its affiliates:

1. Aspen is the ultimate shareholder of the Adviser (the "Shareholder Relationship"). At the initial stages of the Adviser's operations as an adviser to the Fund, this may include a requirement to consolidate the performance of the Adviser within the accounts of Aspen. Accordingly Aspen has an interest in monitoring and understanding the financial performance of the Adviser as an operating entity, as well as in ensuring that its activities are conducted in accordance with all applicable legal and regulatory requirements and relevant best practice;
2. Aspen and its affiliates are or may be investors in the Fund and Aspen and its affiliates may be investors in certain funds managed by the Adviser in the future (the "Investor Relationship"). Accordingly Aspen and its affiliates have an interest, aligned with those of other investors in the Fund, or funds managed by the Adviser in the future, in monitoring and understanding the financial performance of any funds managed by the Adviser, as well as in ensuring that its activities are conducted in accordance with all applicable legal and regulatory requirements as well as relevant best practice; and
3. Aspen and its affiliates provide certain operational and support services to the Adviser, including the provision of trading premises, IT and communication systems and the services of suitably qualified officers and employees (the "Service Provider Relationship"). The Adviser further relies on Aspen and its affiliates for modeling, underwriting, and other reinsurance services. Aspen Bermuda Limited provides fronting services to Peregrine for which it receives fronting fees, which are indirectly borne by the Fund and its investors. These arrangements are formalized in various agreements.

The Adviser, Aspen and its affiliates recognize the importance of managing the Shareholder Relationship, the Investor Relationship and the Service Provider Relationship to ensure that the risks of an actual or apparent conflict of interest are mitigated. In order to achieve this, the relationship between the Adviser and Aspen and its affiliates will be managed wherever possible in accordance with the following principles:

- The management and operations of the Adviser will be overseen by the Board of Directors of the Adviser (the “Adviser Board”). The fiduciary duties and responsibilities of the Adviser Board in that regard will be owed to the Adviser only. The Adviser Board will independently set and monitor the investment strategy of the funds managed by the Adviser without reference to the strategic or other considerations of Aspen or its affiliates, whether under the Shareholder Relationship, the Service Provider relationship or otherwise.
- To the fullest extent practicable and consistent with the legal and regulatory obligations of Aspen and its affiliates, access to information as to the operations of the Adviser and the performance of the Fund will be no more preferable than that which is available to other investors. To the extent that personnel of Aspen or its affiliates require access to such information for the purposes of satisfying the requirements of the Shareholder Relationship or the Service Provider Relationship, Aspen and its affiliates will ensure that due controls are maintained to ensure that access to such information is controlled internally and used only for the limited purposes for which it is transmitted.
- All services provided by Aspen and its affiliates to the Adviser under the Service Provider Relationship will be subject to the management and oversight of the Adviser Board. The Adviser Board will maintain at all times the ability to make alternative arrangements for the provision of services where it believes that provision of such services under the Service Provider Relationship may give rise to an actual or potential conflict of interest,
- To the extent that a situation arises where there is an apparent conflict between these principles or any matter set out in the Adviser’s Compliance Manual and the legal and regulatory obligations of Aspen or its affiliates, the matter will be elevated for resolution to the Chief Compliance Officer and the Aspen Group General Counsel.

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

A. Description of Code of Ethics.

High ethical standards are essential for the success of the Adviser and to maintain the confidence of its investors. The Adviser’s long-term business interests are best served by

adherence to the principle that the interests of the Fund come first. The Adviser has a fiduciary duty to the Fund it manages, which requires individuals associated with the Adviser to act solely for the benefit of the Fund. Potential conflicts of interest may arise in connection with the personal trading activities of individuals associated with investment adviser firms. In recognition of the Adviser's fiduciary obligations to the Fund and the Adviser's desire to maintain its high ethical standards, and as required under Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the Advisers Act), the Adviser has adopted a Code of Ethics (the "Code of Ethics") containing provisions designed to: (i) prevent improper personal trading by Access Persons; (ii) prevent improper use of material, non-public information about securities recommendations made by the Adviser or securities holdings of the Fund; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of the Fund. The Code of Ethics requires quarterly reporting of securities trades by Access Persons and annual holdings reports from such persons. The Code of Ethics requires pre clearance of all purchases of securities by Access Persons in limited offerings or private placements and in initial public offerings. Further, the Code of Ethics requires pre clearance of the purchase by Access Persons of any security that is owned by the Fund as well as any security associated with the sponsor of a security that is owned by the Fund. The Adviser maintains a list of such securities for reference by Access Persons (the "Restricted List").

While it is impossible to define all situations that might pose a conflict of interest, the Code of Ethics is designed to address those circumstances where such risks are likely to arise.

A copy of the Code of Ethics and any amendments is provided to each Supervised Person and Access Person. Adherence to the Code of Ethics and the related restrictions on personal investing is considered a basic condition of employment for Supervised Persons and Access Persons of the Adviser. If there is any doubt as to the propriety of any activity, Supervised Persons and Access Persons are instructed to consult with the Chief Compliance Officer or his/her designee, who is charged, among other things, with the administration of the Code of Ethics.

The Adviser's current and prospective investors may request a copy of the Code of Ethics by contacting Joseph Spanier, the Adviser's Chief Compliance Officer, at (929) 265 3757 or Joseph.Spanier@aspen-capital.com.

B. Material Financial Interest in Transactions.

Neither the Adviser nor its Access Persons may engage in principal transactions between a proprietary account and the Fund. Should the need for a principal transaction ever arise, and following discussion with the Chief Compliance Officer, it is the Adviser's policy to not, directly or indirectly, while either the Adviser or an Access Person is acting as principal for its own

account, knowingly sell any security or financial instrument to, or purchase any security or financial instrument from, the Fund without disclosing to the investors in the Fund in writing prior to the completion of each such transaction, the capacity in which the Adviser and/or the Access Person is acting and obtaining the specific consent of the Investors.

C. Investments in Same Securities.

The Adviser, its Access Persons or affiliates may invest in the Fund as investors, and such investments may be significant from time to time. Such investments may be the same terms offered to investors generally, or may be on different terms, in the Adviser's discretion. Such personal investments may create an incentive for the Adviser to manage the Fund differently than it would absent such personal investments. However, the Adviser will endeavor to act only in the best interests of the Fund in the management of the Fund. Although highly unusual, the Adviser may engage in a principal transaction, which would be done in accordance with section 206(3) of the Advisers Act and as described above in item 11.B "Material Financial Interest in Transactions". Further, the Code of Ethics requires pre clearance of the purchase by Access Persons of any security that is owned by the Fund as well as any security associated with the sponsor of a security that is owned by the Fund. The Adviser maintains the Restricted List for reference by Access Persons.

D. Timing of Investments.

See Item 11.B "Material Financial Interest in Transactions" and 11.C, "Investments in Same Securities" above.

Item 12 – Brokerage Practices

- A. In determining which broker-dealer with whom the Adviser will execute a trade, the Adviser considers the services that such broker-dealer can provide and a number of other factors. These factors include the broker-dealer's ability to execute difficult trades, commitment of capital, access to new issues, nature and frequency of sales coverage, breadth of services provided, operational capabilities, back office and processing capabilities, financial stability and responsibility, reputation, access to markets, confidentiality, commission rates, responsiveness and the value of research products and services provided by such brokers. Recognizing the values of these factors, the Adviser may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.
1. Research and Soft Dollar Benefits. The Adviser has not entered into, and does not intend to enter into, any "soft dollar" arrangements. Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)") permits an adviser to pay more than the

lowest available commission rate (or “pay up”) for research and brokerage services if the adviser determines, in good faith, that the brokerage rates charged by the broker are reasonable in light of the services provided. From time to time the Adviser may receive unsolicited research or other products or services other than execution from broker-dealers and/or third parties in connection with client securities transactions which would be a benefit to the Adviser, and may be an incentive to choose such broker-dealer. The Adviser will limit any use of “soft dollars”, if any, to obtain research and brokerage services that constitute research and brokerage within the meaning of Section 28(e).

2. Brokerage for Client Referrals. In selecting or recommending broker-dealers, the Adviser does not consider as a factor whether or not the Adviser or its related persons will receive investor referrals from a broker-dealer or third party.
 3. Directed Brokerage. The Adviser does not utilize directed brokerage arrangements.
- B. Aggregation of Orders, Allocation. Currently the Adviser provides advice solely to the Fund. Should the Adviser in the future provide advice to multiple funds, it will be the Adviser’s policy in allocating securities among funds, that all funds will be treated fairly and, to the extent possible, all funds should receive equivalent treatment. Should the Adviser provide advice to additional funds, the Adviser intends to aggregate advisory orders from multiple funds for the purchase or sale of securities. The Adviser will follow the guidelines set forth below in aggregating multiple fund orders for securities:
- each fund that participates in an aggregated order will participate at the average share price for all of the Adviser’s transactions in that security on a given business day or as specified in these procedures and transaction costs will be shared pro rata based on each client’s participation in the transaction;
 - if the aggregated order is filled in its entirety, it will be allocated among funds in accordance with this policy; and
 - if the aggregated order is partially filled, it will be allocated among funds in a fair and equitable manner as determined by the Adviser.

Notwithstanding the foregoing, an aggregated order may be allocated on a basis different from that specified in the allocation statement, if the reason for the different allocation is explained in writing and approved by the Chief Compliance Officer and the portfolio manager for the Fund (the “Portfolio Manager”) no later than the close of trading on the day on which the order was executed. Reasons for allocation on a basis different from that specified in the allocation statement may include: a fund’s investment guidelines and restrictions, a fund’s current holdings, available cash, liquidity requirements, or legal regulatory reasons.

Item 13 – Review of Accounts

- A. Periodic Review. The Portfolio Manager of the Adviser reviews the performance of the Fund monthly. The Adviser then advises the Fund as to the amount of assets that should be allocated to various investment instruments pursuant to the Fund's investment objectives and strategies.
- B. Triggered Review. The Portfolio Manager of the Adviser engages in more frequent reviews of the Fund's investments on an as-needed basis as circumstance warrant, for example, during periods of impending major storm activity or other unusual events.
- C. Content and Frequency of Reports. Except as otherwise specified in the governing documents of the Fund, each investor in the Fund will receive (i) a monthly unaudited statement of the value of its investment in the Fund; (ii) a quarterly review of the performance of the Fund; (iii) an annual audited financial statement of the Fund; and (iv) annual tax-related information regarding the investor's investment in the Fund (if applicable).

Item 14 – Client Referrals and Other Compensation

- A. Other Compensation. As described above, the Adviser is compensated by the Manager for its investment advisory services to the Fund. See Item 5 "Fees and Compensation". Otherwise, the Adviser does not receive any compensation or other economic benefit for providing investment advice or other advisory services to the Fund from persons who are not the Adviser's clients or investors in the Fund.
- B. Client Referrals. The Adviser currently compensates Aon Securities Inc. ("Aon") for certain placement agent services for the Fund pursuant to an agreement. The Adviser compensates Aon directly and neither investors nor clients are charged additional amounts relating to Aon's services under the agreement.

Item 15 – Custody

The Adviser will maintain the assets of the Funds in accounts with a "qualified custodian" pursuant to Rule 206(4)-2 of the Advisers Act and notify Investors in writing of the qualified custodian's name, address and the manner in which the assets are maintained promptly when the account is opened and following any changes to this information.

To ensure compliance with Rule 206(4)-2 of the Advisers Act, the Adviser will be required to reasonably believe that all investors will be provided with audited financial statements for the Fund, prepared by an independent accounting firm that is registered with and subject to the

review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Fund's fiscal year.

Item 16 – Investment Discretion

The Adviser has discretionary authority from the Fund to select the identity and amount of securities and other investment instruments to be bought or sold, pursuant to the terms of the governing documents of the Fund. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives, strategies and guidelines for the Fund. When selecting securities and determining amounts, the Adviser observes the investment policies, limitations and restrictions of the Fund.

Item 17 – Voting Client Securities

Pursuant to Advisers Act Rule 206(4)-6, the Adviser has adopted the following policies and procedures that govern the voting of the Fund's securities. The policies and procedures are designed to identify potential conflicts of interest and ensure that any proxies are voted in the best interest of the Fund and its investors. Because the Fund's investment program primarily involves investing in securities through its reinsurance investment strategy, it typically is not presented with traditional proxy votes. On the rare occasion that the Fund is asked to decide on matters involving voting the Fund's ownership interest in portfolio holdings, the Adviser will adhere to its proxy voting policies and procedures and seek to make decisions in the best interest of the Fund and its investors. In making such decisions, the Adviser may take into account, among other factors, the potential impact on the value of the securities owned by the Fund.

The following procedures are performed when voting materials are received:

- The Portfolio Manager who is responsible for the investment to which the proxy relates review the current performance, activities and events related to the portfolio investment and ensure that the Adviser receives all necessary voting materials.
- The Portfolio Manager, after consultation with senior management, the Chief Compliance Officer and outside counsel, as appropriate, determines how the proxy should be voted.
- The Portfolio Manager ensures that the voting and/or consent materials are completed and returned on time (unless the Adviser has decided that it is in the Fund's best interests for the Adviser not to vote on such matter).

The Adviser will make copies of these proxy voting policies and procedures available upon request to the investors in the Fund. The Chief Compliance Officer is responsible for ensuring, if requested, that the Adviser will provide the Fund investors with (i) a description of the Adviser's proxy voting policies and procedures and (ii) instructions about how investors may obtain information from the Adviser on how the Adviser voted with respect to their Fund's securities. The Chief Compliance Officer is responsible for responding to requests from investors regarding how the Adviser voted proxies.

Supervised Persons and Access Persons who receive a proxy statement will consult with the Portfolio Manager responsible for the investment in the security to which the proxy statement relates.

A client or investor may obtain a copy of Adviser's proxy voting policies and procedures and information about how the Adviser voted proxies by contacting investor relations at ir@aspen-capital.com, or by calling (646) 289-4953.

Item 18 – Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about the Adviser's financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Pursuant to SEC rules, no balance sheet or other financial information of the Adviser is required to be included in this Brochure.