

## Alwyne Management LP

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This “**Brochure**” provides information about the qualifications and business practices of Alwyne Management LP. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“CCO”), Ivan Nausieda, by email at [inausieda@alwynefunds.com](mailto:inausieda@alwynefunds.com). Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

*This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933 and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be “accredited investors” as defined in Regulation D, “qualified purchasers” as defined in the Investment Company Act, or non-” U.S. Persons” as defined in Regulation S. Persons reviewing this Brochure should not construe this as an offer to sell or a solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.*

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

**Item 2: Material Changes**

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The Firm has no material changes to report since its previous amendment. If the Adviser makes any material changes to this Brochure, this section will be revised to include a summary of such changes.

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**Item 4: Advisory Business**

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Alwyne Management LP is a Delaware limited partnership (hereinafter “**Alwyne Management**,” “**we**,” “**us**,” “**our**” or the “**Firm**”) and is an affiliate of Alwyne Management GP LLC (the “**General Partner**”) which serves as the general partner of the of the Firm. Mark Heffernan serve as the Limited Partner of the Investment Manager, Alwyne Management GP LLC, and as the General Partner’s Managing Member (“**Managing Member**”).

Alwyne Management will serve as the investment adviser, with discretionary trading authority, to the following private pooled investment vehicle, the securities of which are offered to qualified investors on a private placement basis: Alwyne Master Fund LP, a Cayman Islands limited partnership (the “**Master Fund**”), Alwyne Fund Ltd., a Cayman Islands exempted company (the “**Offshore Fund**”), Alwyne Partners LP, a Delaware Limited Partnership (the “**Onshore Fund**”), and Alwyne Management GP LLC (the “**General Partner**”), serves as the general partner of the Manager. These entities collectively are referred to, where applicable, the “**Fund**” or “**Funds**”.

Alwyne Management’s registration on Form ADV also covers Alwyne GP LLC (the “**Fund General Partner**”), a limited liability company organized under the laws of the state of Delaware. The Fund General Partner is an affiliate of the Investment Manager and it serves or may serve as the general partner (or in such similar capacity) of pooled investment vehicles. The Fund General Partner’s facilities and personnel are provided by the Investment Adviser. The Fund General Partner serves as general partner to the Onshore Fund and the Master Fund.

The Offshore Fund’s “**Shareholders**” and the Onshore Fund’s “**Limited Partners**” are hereafter collectively referred to as the “**Investors**” where appropriate.

We will not tailor our advisory services to the individual needs of any particular Investor.

We do not currently participate in any Wrap Fee Programs.

The Advisor currently manages \$53,453,400 AUM on a discretionary basis as of April 30,2018.

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**Item 5: Fees and Compensation**

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The fees applicable to each Fund are set forth in detail in each Fund’s offering documents. A brief summary of such fees is provided below.

***Management Fee***

The Fund is charged a quarterly management fee, in arrears, generally based on the net asset value of the assets under management, typically at a rate equal to 0.125% a month (1.5% per annum).

The General Partner, in its sole discretion, may be waived, reduced or calculated differently with respect to certain Investors, including employees or affiliates of the General Partner or the Investment Manager, relatives of such persons, and for certain large or strategic investors. The Fund General Partner will not be charged the Management Fee.

***Other Types of Fees or Expenses***

The Firm will render its services to the Fund at its own expense and will be responsible for its overhead expenses including: office rent; furniture and fixtures; stationery; secretarial/internal administrative services; salaries and bonuses; entertainment expenses; employee insurance and payroll taxes. The Firm will also be responsible for research fees and expenses.

All other expenses will be paid by the Fund and shall include, but are not limited to: the Management Fee; Partnership legal, compliance, administrator, audit and accounting expenses (including third party accounting services); organizational expenses; investment expenses such as commissions; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs (including D&O and E&O insurance for the Firm and the General Partner and outside directorship liability); expenses of regulatory compliance, filings and reporting (including but not limited to Form PF); and any other expenses related to the purchase, sale or transmittal of Fund assets.

The organizational expenses of the Fund (including expenses of the initial offer and sale of limited partnership interests) will be paid by the Fund and, for net asset value purposes, may be amortized over a period of up to 60 months from the date the Fund commences operations.

The Fund does not have a pre-determined limit on its ordinary or extraordinary operating expenses. The Fund's actual annual operating expenses are disclosed in the Fund's year-end audited financial statements, which are provided to each Investor.

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

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***Incentive Allocation***

Our affiliate and the general partner Alwyne GP LLC is entitled to be paid performance-based compensation, generally at the end of each Fiscal Year via the net capital accounts, subject to a loss carryforward provision. The General Partner, in its sole discretion, may waive or modify the performance-based compensation.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

**Item 7: Types of Clients**

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Our clients will be the Funds, as described above.

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

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The descriptions set forth in this Brochure of specific advisory services that we offer to clients, and investment strategies pursued and investments made by us on behalf of its clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client's investment objectives and guidelines. The investment strategies we pursue are speculative and entail

substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

***Investment Objective***

The Fund's investment objective (through its investment in the Master Fund) will be to seek to achieve capital appreciation by investing in global equities, fixed income securities, futures and currency markets, generally utilizing two principal trading components: equity trading and macro trading. There is no assurance that the Fund's investment objective will be achieved.

***Investment Strategy***

We will generally utilize two principal trading components: equity trading and macro trading.

Equity Trading. Equity positions may be the result of bottom up company specific analysis or they may reflect macro themes. We may also utilize systematic, computerized strategies in its equity trading. It is anticipated that greater than 80% of the gross long exposure of the Fund will be concentrated in no more than 15 issuers. The Fund will short individual issuers as well as short stock index futures to reduce the net exposure. The time frame for equity trades will range from a few days to several years.

Macro Trading. The second major component of the Fund will be macro trading. The Fund will trade fixed income, currencies, commodities and stock index futures. In these sectors the fund will trade cash instruments, futures and options. It is anticipated that these will largely be in the G10 space but at times, depending upon the opportunity set, the risk could be concentrated in countries and markets outside of this group. Trades in the macro area will be the result of fundamental and technical analysis and the Fund may also seek to employ computerized systematic strategies.

Where possible, we will be looking to capitalize on major movements within these markets. To identify such opportunities, we will start with an analysis of fundamental economic conditions. Once a view is formed, we will then use a combination of technical and sentiment analysis to attempt to fine-tune trade entry. Usually this means we will attempt to be early into trends with a view to also exiting early.

In addition to these two core strategies, we will apply a number of other trading approaches, including but not restricted to:

- (i) Systematic trading;
- (ii) Pattern recognition;
- (iii) Momentum trading;
- (iv) Spread trading;
- (v) Carry trades; and
- (vi) Trading around news releases.

***Risk of Loss Factors***

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

*Use of Leverage*

We may borrow funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments. In addition, we may in effect borrow funds through entering into repurchase agreements, and may “leverage” our investment return with options, commodity futures contracts, swaps, forwards and other derivative instruments. We define leverage in relative value trading generally as one-half the market value of our long positions plus one-half the absolute value of our short positions divided by invested capital. In directional trading, we define leverage generally as the absolute market value of the position divided by invested capital. For inter-bank deposit financial instruments, the notional exposure is multiplied by the fraction of the year which the contract covers. The level of interest rates, generally, and the rates at which we can borrow, in particular, will affect our operating results.

The use of leverage will increase investor returns if we earn a greater return on leveraged investments than our cost of such leverage. However, the use of leverage exposes us to additional levels of risk, such as: (i) should the securities pledged to brokers to secure our margin accounts decline in value, we could be subject to a “margin call”, pursuant to which we will be required to either deposit additional funds with the lender or suffer mandatory liquidation of the pledged securities to compensate for the decline in the securities’ value; (ii) greater losses from investments than would otherwise have been the case had we not borrowed to make the investments; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds our cost of leverage related to such investments.

*Equity-Related Instruments in General*

We may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

*Small to Medium Capitalization Companies*

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

*Non-U.S. Securities*

We may invest in non-U.S. securities. Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options, futures and options on futures on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the U.S. government or U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with

counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

#### *Corporate Debt Obligations*

We may invest in corporate debt obligations, including commercial paper. Corporate debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk). We may actively expose the Fund portfolio to credit risk. However, there can be no guarantee that we will be successful in making the right selections and thus fully mitigate the impact of credit risk changes on the Fund.

#### *Lack of Diversification*

While our portfolio will be invested in global equities, fixed income securities, futures and currencies, the portfolio may not be widely diversified among industries, geographic areas or types of securities. Further, our portfolio may not necessarily be diversified among a wide range of issuers. Accordingly, our portfolio may be subject to more rapid change in value than would be the case if we were required to maintain a wide diversification among companies or industry groups.

#### *Futures Contracts*

The use of futures is a highly specialized activity which involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Fund's return or not cause the Fund to sustain large losses. While the use of these instruments by the Fund may reduce certain risks associated with portfolio positions, these techniques themselves entail certain other risks. If we apply a strategy at an inappropriate time or judges market conditions or trends incorrectly, futures strategies may lower the Fund's return or cause substantial losses. Certain strategies limit the Fund's possibilities to realize gains as well as limiting its exposure to losses. The Fund could also experience losses if the values of its futures positions were poorly correlated with its other investments, or if it could not close out its positions because of an illiquid market. In addition, the Fund will incur transaction costs, including trading commissions, in connection with its futures transactions and these transactions could significantly increase the Fund's investment turnover rate. Futures markets are highly volatile. The low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the Fund may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the Fund to substantial losses. Investing in futures contracts, options or commodities is a highly specialized investment activity entailing greater than ordinary investment risk.

#### *Options*

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling



options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

#### *Derivatives*

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

#### *Short Sales*

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Partnership's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

#### *Interest Rate Risk*

Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

#### *Currency and Currency Market Risks*

Investments in foreign currency forwards, futures and options, as well as securities denominated in foreign currencies are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment, capital appreciation and political developments. We may try to hedge these risks, but there can be no assurance that it will implement a hedging strategy, or if it implements one, that it will be effective.

Further, by investing in international securities and derivative instruments relating to such securities, we will have exposure to fluctuations in currency exchange rates. It may, in part, seek to offset the risks associated with such exposure or to increase returns through foreign exchange transactions. Such transactions involve a significant degree of risk and the markets in which foreign exchange transactions are affected are highly volatile, highly specialized and highly technical. Significant changes, including changes in liquidity and prices, can occur in

such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, maturity gaps, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment or particular transactions in foreign currency. The foreign exchange transactions can result in our returns being substantially better or worse than what returns would have been had we not entered into the transactions.

#### *U.S. Government Securities*

We may invest in U.S. government securities. Generally, these securities include U.S. Treasury obligations and obligations issued or guaranteed by U.S. government agencies, instrumentalities or sponsored enterprises. U.S. government securities also include Treasury receipts and other stripped U.S. government securities, where the interest and principal components of stripped U.S. government securities are traded independently. These securities are subject to market and interest rate risk. We may also invest in zero coupon U.S. Treasury securities and in zero coupon securities issued by financial institutions, which represent a proportionate interest in underlying U.S. Treasury securities. A zero coupon security pays no interest to its holder during its life, and its value consists of the difference between its face value at maturity and its cost. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

#### *Convertible Securities*

We may invest in convertible securities which are securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company or that are indexed to an unmanaged market index at the option of the holder during a specified time period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, stock purchase warrants, zero-coupon bonds or liquid-yield option notes, stock index notes, mandatories, or a combination of the features of these securities. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and conversely, increase as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.

#### *Distressed Securities*

WE may invest in "distressed securities" – securities, private claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties. Investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns to the Fund, but also involve a substantial degree of risk. The Fund may lose a substantial portion or all of its investment in a distressed environment or may be required to accept cash or securities with a value less than the Fund's investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be

greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses. Moreover, to the extent that the Fund invests in distressed sovereign debt obligations, it will be subject to additional risks and considerations not present in private distressed securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which may be affected by world events, changes in U.S. foreign policy and other factors outside of the control of us. The market for distressed securities and instruments is generally thinner and less active than other markets, which can adversely affect the prices at which distressed securities can be sold.

*Lack of Liquidity/Restricted or Non-Marketable Securities*

Our investments in restricted or non-marketable securities may involve a high degree of business and financial risk that can result in substantial losses. There may be no existing market for the purchase and sale of such investments and the Fund may not be able to readily sell such investments. In addition, Fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded, making purchase or sale of such securities at desired prices or in desired quantities difficult or impossible. Furthermore, the sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to value any such investments accurately.

*Debt Securities*

We may take positions in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Fund may take positions in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Fund may invest in securities which are moral obligations of issuers or subject to appropriations. The Fund will therefore be subject to credit and liquidity risks.

*Short-Term Trading Risks*

Our investment objectives are based on the ability of the us to take advantage of very short-term market trends and the market's volatility. Because market trends in general and changes in market trends during a trading day cannot be predicted with any degree of accuracy or consistency, the Fund's performance may fluctuate substantially from period to period, and it is possible that the Fund may sustain substantial and continuing losses. Furthermore, although the we intend to use our best efforts to monitor the Fund's investments, no assurance can be given that these efforts will be successful or that the Fund will not sustain substantial losses on single positions. In addition, the nature of the Fund's investment objective requires the Fund to make very short-term transactions. As a result, the commissions payable by the Fund will be substantially in excess of those normally paid by a fund of comparable size as the Fund.

*Hedging Transactions*

We may utilize a variety of financial instruments such as derivatives, options, swaps, caps and floors, futures and forward contracts for both risk management and general investment and speculation purposes. With respect to our risk management and hedging transactions, there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while we may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk than if we did not engage in any such hedging transactions. In addition, we may choose not to enter into hedging transactions with respect to some or all of our positions.

**Item 9: Disciplinary Information**

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We have no disciplinary disclosures to make that are required in the Brochure.

**Item 10: Other Financial Industry Activities and Affiliations**

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Alwyne Management is registered with the CFTC as a commodity pool operator (“**CPO**”) and is a member of the National Futures Association (the “**NFA**”). In connection with our registration with the CFTC, certain of our Employees are registered “**Associated Persons**” and “**Principals**” of Alwyne Management.

The Firm and our management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

We do not recommend or select other investment advisers for our clients.

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

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***Code of Ethics***

Alwyne Management has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Fund first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at the Firm.

***Personal Securities Trading***

Alwyne Management’s policy regarding personal securities trading by personnel (the “**Employee Investment Policy**”) significantly constrains the ability of personnel to engage in personal securities trading. Under the Employee Investment Policy, employees, their spouses, immediate family members and other dependents, are required to direct their brokers, or directly provide, duplicate copies of personal discretionary brokerage account statements to the CCO, which are used to monitor compliance with the Employee Investment Policy. Under the Employee Investment Policy, employees are prohibited from participating in initial public offerings (IPOs).

Employees must obtain pre-approval from the CCO before: (i) effecting any personal trades; (ii) engaging in any outside business activities that may present a conflict with the employees’ duties at the Firm; or (iii) making any private investments.

***Participation or Interest in Client Transactions***

Neither we nor our related persons generally purchase any securities for their own accounts from, or sell any securities for their own accounts to, the Fund. Alwyne Management may solicit qualified clients to invest in a Fund. Alwyne Management could be considered to have recommended an investment in the Fund as suitable for a client as a result of the relationship between Alwyne Management and the Fund. The Firm will inform each client of its relationship with a Fund prior to the client's investment, but does not intend to advise clients as to the appropriateness of the investment and will not receive any compensation for doing so or for selling interests in a Fund (except to the extent that Alwyne Management receives Management Fees and performance compensation from all Investors).

Alwyne Management discloses these, and other potential conflicts of interest, to Investors in the Fund's offering documents. These materials are delivered to Investors prior to their investment and Investors are given the opportunity to ask questions and seek answers regarding, among other things, potential conflicts involving the Firm, its affiliates, or the executive officers of the foregoing.

We will provide a copy of our Code of Ethics to our Clients, Investors, or any prospective Investor, upon request.

**Item 12: Brokerage Practices**

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Alwyne Management is authorized to determine the broker-dealer to be used for executing securities transactions for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. The Funds' securities and other assets are held in securities accounts at our prime brokers that are "Qualified Custodians" as defined in the Advisers Act.

***Best Execution***

In selecting an appropriate broker-dealer to affect a client trade, we seek to obtain "**Best Execution**," meaning generally the execution of a securities transaction for a client in such a manner that a client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers' full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

***Soft Dollars***

The Firm may use "**Soft Dollars**" generated by the Fund's trading activities to purchase brokerage and research services or products that would otherwise have been our expense.

We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

Neither Alwyne Management nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, Alwyne Management may consider, among other things, capital introduction and marketing assistance with respect to investors in the Funds in selecting or recommending broker-dealers for the Funds.

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**Item 13: Review of Accounts**

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Our portfolio managers and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the relevant Funds' offering documents. In these reviews, we pay particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

***Account Reporting***

We will distribute annual audited financial statements with respect to the previous fiscal year to all Investors within 120 days of relevant Fund's fiscal year end. We also may distribute other interim reports to Investors.

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**Item 14: Client Referrals and Other Compensation**

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This Item is inapplicable.

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**Item 15: Custody**

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We will comply with Advisers Act's "**Custody Rule**," by meeting the conditions of the pooled vehicle annual audit provision. Annually, upon completion of the relevant Fund's annual audit, we will distribute the Fund's audited financials to Investors within 120 days of the Fund's fiscal year end.

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**Item 16: Investment Discretion**

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We will have full discretionary authority over the Funds including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities. Additionally, the Firm has full discretion over the broker-dealers to be used for transactions and the commissions to be paid to those broker-dealers. These terms are established in the offering documents of each Fund.

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**Item 17: Voting Client Securities**

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To the extent that we are delegated proxy voting authority on behalf of the Fund, we will comply with our proxy voting policies and procedures that are designed to ensure that such proxies are voted in the best interest of the Fund. Generally, the Investors may not direct voting of proxies.

Upon request, we will provide Investors with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by the Funds.

**Item 18: Financial Information**

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This Item is inapplicable.