

Olympic Peak Asset Management LP

**745 Fifth Ave
Suite 1604
New York, NY 10152**

November 2018

This “**Brochure**” provides information about the qualifications and business practices of Olympic Peak Asset Management LP (hereinafter “**Olympic Peak**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Leah Silverman, by email at lsilverman@olympicpeakmgmt.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.

Olympic Peak has applied as an “Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days” with the SEC. Registration as an investment adviser does not imply that Olympic Peak or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Olympic Peak Asset Management LP is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is Olympic Peak's initial Form ADV Part 2A which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if the Brochure – when amended in conjunction with our initial launch and/or any necessary updates – contains material changes from our last update, we will identify and discuss those changes.

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Item 4: Advisory Business

Olympic Peak Asset Management LP, a Delaware limited partnership (hereinafter “**Olympic Peak**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) has its principal place of business in New York, New York. We are an affiliate of the following entities: Olympic Peak Asset Management GP LLC, a Delaware limited liability company (the “**General Partner**”), the general partner of the Firm, and Olympic Peak GP LLC, a Delaware limited liability company (the “**Fund General Partner**”), the general partner of the Master Fund and the Onshore Fund (as both terms are defined below). Todd Westhus, a Founding Partner and Chief Investment Officer of the Firm (the “**Chief Investment Officer**”), is the majority beneficial owner of Olympic Peak and will direct the investment activities and operations of the Funds (as defined below).

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to US investors that are accredited investors, as defined under the Securities Act of 1933 (the “**Securities Act**”). We do not tailor our advisory services to the individual needs of any particular investor.

Upon registration with the SEC, Olympic Peak intends to manage the following private, pooled investment vehicles:

- Olympic Peak Offshore Ltd, a Cayman Islands exempted company (the “**Offshore Fund**”);
- Olympic Peak Onshore LP, a Delaware limited partnership (the “**Onshore Fund**”); and
- Olympic Peak Master Fund LP, a Cayman Islands exempted limited partnership (the “**Master Fund**”).

The Offshore Fund and the Onshore Fund will invest all of their investable assets in the Master Fund. The Master Fund, Onshore Fund and Offshore Fund are herein collectively referred to as the “**Funds**”. The Funds, together with any other account Olympic Peak may manage will be referred to herein as the “**Clients**.” The Onshore Fund and Offshore Fund are collectively referred to as the “**Feeder Funds**”.

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

Our investment decisions and advice with respect to each Fund is to each Fund’s investment objectives and guidelines, as set forth in its respective confidential offering memorandum and governing documents (collectively, “**Offering Documents**.”)

This Brochure generally includes information about Olympic Peak and its relationships with its Clients and affiliates. While much of this Brochure applies to all such Clients and affiliates, certain information included herein applies to specific Clients or affiliates only.

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, as amended (the “**Securities Act**”), and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made. Shares in the Offshore Fund are offered on a private placement basis to U.S. tax-exempt entities, and, in accordance with Regulation S of the Securities Act, with respect to non-U.S. persons, and subject to certain other conditions,

which are fully set forth in its Offering Documents. The interests in the Onshore Fund are offered on a private placement basis pursuant to Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “**Company Act**”), to persons who are “accredited investors” as defined under the Securities Act and, if applicable, “qualified purchasers” as defined under the Company Act, and subject to certain other conditions, which are set forth in its Offering Documents. Persons reviewing this Brochure should not construe this as an offer to sell or solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will generally be made only by means of a confidential memorandum.

We do not currently participate in any Wrap Fee Programs.

We do not currently have any regulatory assets under management but we expect to have, within 120 days of the effective date of our initial registration, client assets under management sufficient to allow us to remain eligible for registration with the SEC.

Item 5: Fees and Compensation

The fees and compensation applicable to a Feeder Fund are set forth in detail in its respective Offering Documents; a brief summary of such fees and compensation is provided below.

Management Fee

Olympic Peak is paid an investment management fee (“**Management Fee**”) ranging from 0.75% - 1.50% per annum of the net asset value of each series of shares or capital account of a Feeder Fund. The Management Fee is normally charged on the first day of each quarter, and is paid in advance based on the net asset value of the applicable Feeder Fund on the first day of the quarter (and is prorated for partial quarters).

Generally, the Management Fee is not negotiable. However, Olympic Peak or may, in its sole discretion, waive, reduce or modify the Management Fee at any time.

Other Types of Fees or Expenses

The Feeder Funds will bear their own expenses and their *pro rata* share of the Master Fund’s expenses, including, without limitation, the Management Fee; transaction-related expenses (which include all transaction-based expenses incurred in executing investments including brokerage commissions, expenses relating to short sales, clearing and settlement charges, expenses associated with consummating bank debt trades, dealer spreads, custodial fees, bank service fees, interest expenses and legal expenses associated with any potential transaction); investment-related travel expenses (which are travel expenses related to the purchase, sale or transmittal of, or due diligence regarding, the Master Fund’s investments, whether or not such investments are consummated, incurred by the Firm or the Fund General Partner); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the Feeder Funds and Master Fund (including, without limitation, third-party software licensing, implementation, data management and recovery services, custom development costs and all costs and expenses of any order management systems utilized by the Firm to manage the Feeder Funds and the Master Fund); expert networks; research and market data (including any computer hardware and connectivity hardware (e.g., telephone and fiber optic lines)

incorporated into the cost of obtaining such research and market data); administrative expenses (including fees and expenses of the Administrator and the Sub-Administrator); cybersecurity consultant fees and cybersecurity insurance; trade claim database; legal expenses in connection with each Feeder Fund's and the Master Fund's ongoing operations (including the updating of each Feeder Fund's offering documents, processing transfer requests, negotiations with prospective investors and extraordinary legal expenses, such as those related to litigation or regulatory investigations or proceedings); external accounting and valuation expenses (including pricing services and the cost of accounting software packages); audit and tax preparation and filing expenses; costs related to errors and omissions insurance and directors and officers insurance for the Fund General Partner and the Firm and their respective affiliates, the board of directors of the Offshore Fund (the "**Board of Directors**") and the governance board of the Onshore Fund and the Master Fund (the "**Governance Board**") and any AML officers; fees and expenses of the Board of Directors and the Governance Board; costs of printing and mailing offering materials, reports and notices; investor-related taxes; corporate licensing; compliance and regulatory expenses of the Feeder Funds and Master Fund and the Firm (including, without limitation, legal fees, filing fees and costs associated with FATCA compliance and any filings made by the Firm relating to a Feeder Fund or the Master Fund, e.g., Form PF/Annex IV); organizational expenses; expenses incurred in connection with the offering and sale of the interests or shares in a Feeder Fund (including, without limitation, legal fees, registration and other filing fees and side letter negotiations, but excluding travel expenses) and other similar expenses related to the Feeder Funds and the Master Fund (other than any fees payable to any placement agent, which will be paid by the Firm either directly or indirectly by reducing the Management Fees owed to the Firm); indemnification expenses; and extraordinary expenses. "**FATCA**" refers to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), known as the U.S. Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such Code sections and any applicable intergovernmental agreement or information exchange agreement and related statutes, regulations, rules and other guidance thereunder).

If any of the expenses listed above are incurred jointly for the account of more than one Client, such expenses will be allocated among such Clients in proportion to the size of the investment made by each to which such expense relates, or in such other manner as the Board of Directors or Olympic Peak, as applicable, considers fair and equitable.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

The Fund GP is entitled to an annual performance-based allocation, ranging from 10% - 19% of realized and unrealized gains of each capital account in the Master Fund (other than unrealized gains in respect of special investments), subject to a high watermark, as described in the applicable Offering Documents. The performance based-allocation is normally allocated at the end of a fiscal year, although it is also allocated in connection with a withdrawal during a fiscal year.

Generally, the performance-based allocation is not negotiable. However, Fund General Partner may, in its sole discretion, waive, reduce or modify the performance-based allocation at any time.

A performance-based allocation arrangement 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 in an effort to receive a greater performance-based allocation.

Item 7: Types of Clients

Our Clients are the Funds (as described in Item 4 above) and investment in a Fund is generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

Generally, the minimum initial investment in a Feeder Fund is \$5 million. However, the Fund General Partner and/ or the Firm, as applicable, may, in its sole discretion, accept lower initial investments from time to time.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to investors, and investment strategies pursued and investments made by us on behalf of our 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 Fund's investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks. Investors 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

Olympic Peak's objective is to preserve capital and provide superior long-term risk adjusted returns by investing opportunistically in credit and other event driven securities that have a favorable risk/reward profile. The Firm will invest across asset classes with a focus on credit in developed markets. The Firm will take a dynamic and flexible approach in allocating capital to areas of the market that are less efficient, face limited competition, and where uneconomic sellers exist.

The core strategy of the Firm is to identify market dislocations, inefficiencies and forced sellers, and then perform fundamental research on these securities or groups of securities, to determine whether such securities are mispriced. This approach allows the Firm to streamline a massive global opportunity set into a more streamlined universe containing a larger percentage of mispriced securities. The Firm identifies mispriced long and short investment opportunities using fundamental research, and its proprietary investment process. This includes determining where we are in a market cycle, the health of the market from a market structure perspective, searching for sellers selling for reasons unrelated to price or value and considering what unique insights that the Firm has that consensus does not have or chooses to ignore. This fundamental research model also includes identifying critical factors that have driven valuation changes historically, and those that will drive changes in valuation in the future. The strategy employed by the Firm is intended to emphasize "margin of safety" and returns that are uncorrelated with the overall markets.

Risk Management

The Firm's approach to risk management is two-pronged with a focus on both position level risk and portfolio risk:

At the position level, risk management is incorporated throughout the investment process. The most important risk to consider is permanent loss of capital. To avoid this, the Firm will perform extensive downside analysis and seek to make investments that have limited downside when wrong. When underwriting an investment, the Firm will consider various risk scenarios and will stress test those scenarios, and (if applicable) will hedge identifiable risks. The Firm does not define risk as the daily or monthly mark-to-market volatility of an investment and will only seek to avoid and hedge impairments to intrinsic value.

The Firm will perform proprietary, in depth research, and will only invest where there is an identifiable advantage, as well as a margin of safety in the price. Position sizing will be determined by expected downside if wrong and then adjusted for amount of upside asymmetry, conviction level, catalyst profile, market technicals and overall liquidity conditions. As part of the process, the Firm will discuss and document thesis breakers upfront to help avoid any behavioral influences and biases when and if those events unfold.

At the portfolio level, risk management starts with portfolio construction and asset allocation. The Firm will determine the appropriate allocation to various investment strategies including, but not limited to, performing credit, stressed credit, distressed credit, trade and other claims, post reorganization equity and credit, distressed sovereign credit, distressed muni credit, and distressed structured credit depending on the market environment. Other risk exposures like industry concentration, commodity exposure, interest rates, political or binary outcomes will also be considered. The Firm will monitor so that the exposures are an intentional part of the investment thesis and not an unintended aggregation of unwanted risk. Managing risk at the portfolio level goes beyond the level of diversification and understanding of various exposures, but also includes analyzing how positions are correlated to each other and to broader market moves or macroeconomic trends. Understanding this correlation is a critical input into the portfolios risk/return profile. The Firm will regularly perform scenario analysis and stress test the portfolio.

Risk Factors

The following risk factors may not be applicable to all of the Funds. Investments in a Fund are speculative and involve a substantial degree of risk, including the risk that an investor could lose some or all of its investment in such Fund. Prospective investors should carefully consider the risks of investing, which include, without limitation, those set forth below which are more fully described in the applicable Fund's Offering Document. These risk factors include only those risks Olympic Peak believes to be material, significant, or unusual and relate to particular significant investment strategies or methods of analysis employed by Olympic Peak and do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by Olympic Peak.

Risks Related to Investment Strategy

Risk of Loss. No guarantee or representation is made that the Firms' investment strategies will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred.

Investment and Trading Risks in General. Inherent in any investment in securities is the risk of losing the invested capital. The Firm believes that the Firm's research techniques moderate this risk through a careful selection of securities and investment opportunities, as well as through the application of the Firm's ongoing qualitative and quantitative risk assessment and management program. However, no guarantee or representation is made that the Firm will be successful or profitable, and investment results may vary substantially over time. The Firm will utilize investment techniques such as option and derivative transactions, margin transactions, short sales, and futures and forward contracts, which can, in certain circumstances, exacerbate the adverse impact of any loss or adverse event to which clients may be subject.

The Firm will not, in general, attempt to measure or hedge all market or other risks inherent in a Client's portfolio, and will seek to measure and hedge certain risks, if at all, only partially. Specifically, the Firm may choose not, or may determine that it is economically unattractive, to hedge certain risks, instead relying on diversification in an attempt to mitigate the risks.

General Economic and Market Risk. The success of the Firm's activities also will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws or regulations (or their interpretation), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors will affect the level and volatility of the prices of securities, commodities and other financial instruments and the liquidity of investments. Illiquidity or significant changes in volatility could impair profitability or result in losses.

The Firm invests in the U.S. and a number of other countries. The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, relative currency appreciation or depreciation, asset reinvestment opportunities, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation than others.

High-Yield and Distressed Securities. The Firm expects to trade high-yield and distressed credit instruments. These instruments are subject to substantial risk of default, bankruptcy, moratorium, etc., as they are by definition issued by or referenced to issuers in precarious and often declining financial condition.

Valuing high-yield and distressed credit instruments is an inherently uncertain process due to the lack of available market prices and the uncertain financial condition of the issuers (and the lack of reliable information concerning such issuers' financial condition).

The mispricings on which the Firm will attempt to capitalize in its investing reflect both the risk and the uncertainty of high-yield and distressed investments. The long-term and illiquid nature of many of these investments increases their risk, as the Clients will generally be unable to exit these investments in order either to recognize profits or limit losses. High-yield and distressed securities exhibit high mark-to-market volatility, require extensive due diligence and medium- to long-term holding periods, are generally illiquid and demand constant monitoring and carefully engineered exit strategies.

Special Situation Investments. The Firm may invest in securities issued by companies involved in acquisitions (as either buyer or seller), tender offers and spin-offs as well as recapitalizations, financial restructurings, work-outs, bankruptcies or other catalyst-driven situations (such as a regulatory change that may impact an industry, an issuer-defining event such as a major lawsuit or inversion, etc.). Such investments may have limited liquidity and may be difficult or costly to establish or unwind. In any type of special situation, there is the risk that a contemplated transaction will not occur, may not be completed on the terms originally contemplated or may take considerable time to complete, or that an anticipated change or development may take a different course than predicted or may occur in a timeframe that is different than projected. Furthermore, failure to anticipate changes in the circumstances affecting these types of investments may result in permanent losses, where a Client may be unable to recoup some or all of its investment. Investments of this type are complex in their analysis, require significant resources, may involve substantial financial and business risk and can result in significant losses.

Event-Driven Strategies. The success of event-driven strategies depends on the successful prediction of whether various corporate events will occur or be consummated. When the Firm determines that a merger, exchange offer or tender offer transaction may be consummated, the Firm may purchase securities at prices only slightly below the anticipated value to be paid or exchanged for such securities in the merger, exchange offer or tender offer, and substantially above the prices at which such securities traded immediately prior to the announcement of the merger, exchange offer or tender offer. The consummation of mergers, exchange offers, tender offers and other similar transactions can be prevented or delayed, or the terms changed, by a variety of factors. If the proposed transaction later appears unlikely to be consummated or is delayed, the market price of the securities may decline sharply by more than the difference between the purchase price and the anticipated consideration to be paid, resulting in a loss to Clients.

“Widening” Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities may decline substantially. In particular, purchasing assets at what may appear to be “undervalued” levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such “spread widening” risk.

General Risks Associated with Credit Strategies. The Firm will invest in some credit instruments issued by distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Evaluating reorganizations and bankruptcies can be a complex, time consuming and expensive process that requires specialized expertise. Although such investments have the potential to achieve significant returns, they involve a high degree of risk, and may fail to show any return for a considerable period of time or result in substantial or complete loss. There is no assurance the Firm will accurately evaluate the prospects for a

profitable return on the investments. While exit from distressed trading strategies may come through recovery and/or appreciation and subsequent sale in financial markets, other means of exit take alternate and sometimes suboptimal forms, including, but not limited to: (i) a refinancing, sometimes providing for redemption of positions held by a Client; (ii) reset terms and conditions, including but not limited to a longer tenure and/or a diminished coupon; (iii) conversion of debt instruments to further subordinated debt, hybrid, or equity securities; (iv) sale of the entire company to a strategic or financial buyer; (v) government nationalization; (vi) liquidation of assets or creation of liquidation trusts for assets; and (vii) cash settlement of claims from others involved in restructuring.

Certain of these exit strategies may go beyond the expected tenure of the trading strategy and adversely impact liquidity, volatility and pricing. Many of the events within a bankruptcy case are adversarial and often beyond the control of creditors. There can be no assurances that the Firm will be able to adequately exercise and/or enforce its full rights under the stated terms of its investments, or that any actions taken by the Firm will be either beneficial or not harmful to final recovery value. In some situations, the market of available dealers for distressed positions may constrict and could impact the willingness to purchase or repurchase at an expected or modeled fair market value. Consequently, the Firm may sometimes exit positions at times or under conditions different than initially anticipated and accept substantial losses.

Structured Credit Products. Special risks may be associated with investments in structured credit products, collateralized debt obligations, synthetic credit portfolio transactions and asset-backed securities. For example, synthetic portfolio transactions may be structured with two or more classes of tranches that receive different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of a tranche may be extremely sensitive to the rate of defaults in the underlying reference portfolio. A rapid change in the rate of defaults may have a material adverse effect on the yield to maturity. It is therefore possible that a Client may incur losses on its investments in structured products regardless of their ratings by S&P or Moody's. Additionally, the securities in which the Firm is authorized to invest include securities that are subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. Securities subject to resale restrictions may sell at a price lower than similar securities that are not subject to such restrictions.

Leverage for Investment Purposes. The Firm may use leverage in the Firm's discretion. The use of leverage will allow the Firm to make additional investments, on behalf of a Client, thereby increasing such Client's exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of a Client's portfolio. The effect of the use of leverage in a market that moves adversely to its investments could result in substantial losses, which would be greater than if a Client was not leveraged.

Collateral. The instruments and borrowings that may be utilized by a Client to leverage investments may be collateralized by all or a portion of such Client's portfolio. Accordingly, a Client may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure a Client's margin accounts decline in value, such Client could be subject to a "margin call," pursuant to which such Client must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to a Client can apply essentially discretionary margin, "haircut," financing and collateral valuation policies. Changes by counterparties in any of the

foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to a Client may have similar rights. There can be no assurance that a Client will be able to secure or maintain adequate financing.

Costs. Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on a Client's portfolio.

Interest Rate Risk. Clients will generally be subject to 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. The risk will be greater for long-term securities than for short term securities. The Firm seeks to minimize the exposure of its portfolio to interest rate changes through the use of interest rate swaps, interest rate futures, interest rate options and/or other financial instruments. However, there can be no guarantee that the Firm will be successful in fully mitigating the impact of interest rate changes on a Client's portfolio. To the extent that interest rate assumptions underlie the thesis of a particular position, fluctuations in interest rates could invalidate those underlying assumptions.

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

Default Risk. It is generally anticipated that conventional debt will be paid as due, barring unexpected developments. Nonetheless, there exists the risk of default. The Firm will attempt to reduce default risk through diversification and research (both on a country-by-country and issuer-by-issuer basis).

The Firm recognizes that economic disruptions in a country in which a Client is invested may lead to a material, if not complete, loss on a Client's investment in that economy. The Firm will diversify country risk by investing in a number of different countries and will attempt to position a Client's portfolio so as to reduce the risk of "domino effect" defaults across related economies. However, the Firm has no means of predicting where political or economic unrest will develop. A Client may suffer from major defaults in the countries in which it is invested, while at the same time other sectors in general might be profitable for other investors.

Lack of Effective Securities Interests. Certain higher risk debt investors make a policy of acquiring only secured debt so that they have good assurances of receiving back their principal even in the event of a default. The Firm recognizes that certain instruments may not be paid in full and, in fact, may be a complete loss. In addition, when a Client holds participations in a loan, such Client may not have the right to vote for or waive enforcement of any default by an obligor, and/or the selling institution may not consider the interests of such Client in connection with its actions.

Active Management. The Firm may from time to time attempt to exert management control over the reorganization process of some of the Client's portfolio company investments. Active

management is unusually resource-intensive and the Firm's more limited resources may put it at a competitive disadvantage.

Short Selling. A short sale in equity creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to a Client of buying those securities to cover the short position. In credit short sales the risk of loss is generally limited by spread tightening to risk free rate or zero bound in the case of CDS. There can be no assurance that a Client will be able to maintain the ability to borrow securities sold short. In such cases, such Client can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and a Client may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though a Client secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing such Client to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by such Client.

Hedging Transactions. The Firm may utilize financial instruments both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of a Client's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect a Client's unrealized gains in the value of such Client's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in such Client's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate or currency exchange rate on any of such Client's liabilities or assets; (vii) protect against any increase in the price of any securities a Client anticipates purchasing at a later date; or (viii) satisfy any other purpose that the Firm deems appropriate.

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses, although hedging does typically reduce the risk of loss. On the other hand, the hedging transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it should be noted that (i) the Firm may determine not to hedge against, or may not anticipate, certain risks, (ii) the portfolio will always be exposed to certain risks that cannot be hedged and (iii) there is no guarantee that a hedge will be properly implemented, will function in the manner anticipated or will not be adversely effected by changes in the applicable law or regulation.

The success of the Firm's hedging transactions to a significant degree will be subject to the ability of the Firm to correctly assess the relationships between groupings of securities within a portfolio. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Since the characteristics of many securities change as markets change or time passes, the success of any hedging strategy will also be subject to the ability to continually

recalculate, readjust and execute hedges in an efficient and timely manner. While the Firm may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Client than if it had not engaged in such hedging transactions. For a variety of reasons, the Firm may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent a Client from achieving the intended hedge or expose such Client to risk of loss. The Firm will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of portfolio holdings.

Currency hedging activities that the Firm engages in may require the use of a portion of a Client's assets for margin or settlement payments or other purposes. For example, a Client may from time to time be required to make margin, settlement or other payments, including intra-month, in connection with the use of certain hedging instruments. Counterparties to any currency hedging activities may demand payments on short notice, including intra-day. As a result, the Firm may liquidate assets sooner than it otherwise would have in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. Moreover, due to volatility in the currency markets and changing market circumstances, the Firm may not be able to accurately predict future margin requirements, which may result in a Client holding excess or insufficient cash and liquid securities for such purposes. Where a Client does not have cash or assets available for such purposes, such Client may be required to dispose of assets at disadvantageous prices or might fail to comply with certain of its contractual obligations. Such failures could, without limitation, include failing to meet margin calls or settlement or other payment obligations. If a Client were to default on any of its material contractual obligations, such Client would likely be materially adversely affected.

Competition; Potential Strategy Saturation. Despite the specialized, "niche" character of a Client's portfolio, such Client will compete with numerous other private investment funds and financial institutions (both diversified and specialized funds), as well as other investors, which pursue similar strategies and many of which have resources substantially greater than such Client.

The amount of capital committed to "alternative investment strategies" and credit related strategies has increased dramatically during recent years and at the same time, market conditions have become significantly more adverse to many of such strategies than they were in previous years. The profit potential of a Client may be materially reduced as a result of the "saturation" of the alternative investment field.

Exposure to Material Non-Public Information. From time to time, the Firm or its affiliates may receive material non-public information in connection with investments of a Client, with respect to an issuer of publicly traded securities. In such circumstances, the Firm may be prohibited, by law, policy or contract, including any "restricted list" maintained by the Firm, for a period of time from (i) unwinding a position in such issuer for any Client, (ii) establishing an initial position or taking any greater position in such issuer for any Client and (iii) pursuing other investment opportunities related to such issuer for any Client.

Significant Positions. The accumulation of a significant position in the shares of a single issuer could lead to increased compliance or legal risk and expense. The Firm, on behalf of a Client,

may acquire more than 5% of a class of securities of a single issuer traded in the U.S., which would require the filing of a Schedule 13D or 13G statement with the SEC. In addition, a Client may acquire a percentage of securities that are traded in non-U.S. jurisdictions that would trigger regulatory reporting or other statutory requirements in other countries (e.g., filing a voting rights disclosure, making a mandatory tender offer). In such circumstances, the a Client may incur legal or other expenses in connection with its compliance with the relevant law. In carrying out the investment strategy, the Firm may make contact with other shareholders of the securities of a portfolio company. The Firm does not intend to form a group with such shareholders or to act in concert with them. Nonetheless, the SEC or foreign regulator may find that a Client is part of a group or acting in concert with other shareholders, such that such Client's holdings should be aggregated with those of the other shareholders. Such aggregation may result in such Client's position exceeding the threshold for disclosure filings or other statutory requirements.

Litigation Finance. A Client's investments may require an evaluation of the outcome and timing of a dispute resolution process. Regardless of the amount of research and other due diligence that may be performed, predicting the outcome of litigation or other dispute resolution processes is inherently uncertain and depends on a variety of circumstances that may be unrelated to the legal merits of the substantive claims of the parties, including uncertainty regarding the application of law to particular facts, disputed factual records and testimony, unforeseen procedural issues, uneven quality of advocacy, misapplication of settled law by a judge or jury, or settlement dynamics in which the motivations of the parties may be unrelated, in whole or in part, to the merits of the dispute. Since the expenditures in this type of investment generally do not involve the acquisition of any assets having any residual value, an unfavorable outcome typically will result in a complete loss of a Client's investment.

Other Litigation Situations. The Firm may seek to invest in companies, on behalf a Client, involved in litigation or restructuring on the basis of the Firm's assessment of the likely outcome of such litigation and/or the impact of the bankruptcy process on the company. The Firm may also invest in companies, on behalf of a Client, that are likely to be subject to reorganization, including as a result of a major litigation involving such company. Predicting the outcome of litigation or restructuring is speculative by nature and could involve lengthy delays following an appeal or an indirect attack on the outcome. The Firm may invest in issuers which were — as entities, at the senior management level or both — the subject of criminal and administrative proceedings. These investments involve a particularly high degree of risk and uncertainty due to the unpredictability (and often politically motivated and discretionary) outcome of such proceedings and the risk of government cancellation of franchises and licenses necessary for continued operations.

Other Investment Vehicles and Joint Ventures. The Firm, on behalf of a Client, may invest in private pooled investment vehicles managed by third-party managers (e.g., closed-end funds). Such investments may be made where the Firm determines that such arrangements enhance such Client's ability to access specific investment opportunities. In addition, the Firm, on behalf of a Client, may enter into a joint venture or other co-investment arrangement pursuant to which such Client pays fees and/or a profit participation to the third party manager or other joint venture partner. A Client will bear the management fees, incentive fees or allocations, other fees and/or expenses in connection with such investments, in addition to the Management Fee and performance-based compensation. As a result, in these cases, a Client will pay two or more layers of fees.

Exchange Traded Funds. The Firm, on behalf of a Client, may invest in exchange-traded funds (“ETF”). ETFs are a type of investment security representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or to represent exposure to a particular industry or sector. Unlike open-ended mutual funds, the shares of ETFs and certain closed-end funds are not purchased and redeemed by investors directly, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and certain closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs designed to replicate a securities index bear the risk that the ETF’s performance may not correctly replicate the performance of that particular index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

Fraud. Of paramount concern in investments in loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of a structured product to perfect or effectuate a lien on the collateral securing the loan. A structured product will generally rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a structured product may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Cash Management. A Client may hold cash or money market instruments. The percentage of a Client invested in and among such holdings varies and depends on various factors, including market conditions and purchases and withdrawals of Interests. A Client may agree to certain restrictions on the liquidity of the underlying cash or money market instruments in exchange for a more favorable interest rate or increased capacity (e.g., “time deposits”). Furthermore, when instruments other than demand deposits of cash are held (e.g., money market instruments or short-term securities), there may be greater market risk, illiquidity risk or the risk of operational delays in converting the instrument into cash. Demand deposits in cash are generally not collateralized and would give rise to an unsecured claim in the event of the bankruptcy of the deposit-taking institution.

Risks Related to Specific Investments

Debt Instruments. The debt instruments in which a Client will invest may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. A Client will invest in non-investment grade debt securities, which are typically subject to greater market fluctuations and risks of loss of income and principal than lower yielding, investment grade securities and are often influenced by many of the same unpredictable factors which affect equity prices. In addition to the sensitivity of debt securities to overall interest-rate movements, debt securities involve a fundamental credit risk based on the issuer’s ability to make principal and interest payments on the debt it issues. A Client’s investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market’s perception of any particular issuer’s creditworthiness, which may inhibit such

issuer's ability to refinance, restructure or otherwise experience recovery. A Client also will invest in certain hybrid debt arrangements, which are subject to risks in addition to the conventional risks of general interest-rate movements and the issuer's ability to pay the debt in accordance with its terms.

Distressed Securities. A Client may invest in securities issued by companies in weak and/or deteriorating financial condition, experiencing poor operating results, needing substantial capital investment, facing special competitive or product obsolescence problems or involved in bankruptcy or reorganization proceedings. Securities of this type may involve substantial financial and business risks, which are often heightened by an inability to obtain reliable information about the issuers. Among the risks inherent in investments in troubled companies is the fact that it frequently may be difficult to obtain information as to the true condition of such companies. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that a Client will correctly evaluate the value of the assets underlying distressed securities or the prospects for a successful reorganization or similar action. Investments of this type are complex in their analysis, require significant resources and may involve substantial financial and business risk and can result in significant or even total losses to such Client.

The market for distressed securities is expected to be less liquid than the market for securities of companies that are not distressed. A substantial length of time may be required to liquidate such securities. Furthermore, at times, a major portion of an issue of distressed securities may be held by relatively few investors, and the market may be limited to a narrow range of potential counterparties, such as institutions and investment banks. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer, the Firm, on behalf of a Client, may find it more difficult to sell such securities when the Firm believes it advisable to do so or may only be able to sell such securities at a loss. The Firm, on behalf of a Client, may also find it more difficult to determine the fair market value of distressed securities for purposes of computing a Client's net asset value. In some cases, a Client may be prohibited by contract from selling distressed securities for a period of time. There is, therefore, a significant risk that the investment by a Client in companies involved in distressed securities could expose such Client to significant losses.

Asset Backed Securities. ABS generally refers to securities backed by assets other than mortgages, mortgage-backed securities or other mortgage-related assets. The investment characteristics of ABS differ from those of traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying assets generally may be prepaid at any time. Credit card receivables, automobile, boat and recreational vehicle installment sales contracts, commercial and industrial bank loans, home equity loans and lines of credit, manufactured housing loans, corporate debt securities and various types of accounts receivable commonly support ABS. However, there can be no assurance that innovation in the relevant markets will not transform ABS by adding new

classes of assets, new structures or other features not now familiar in the asset-backed markets. ABS securities present certain risks that are not presented by mortgage-backed securities. Primarily, ABS securities are often backed by unsecured receivables. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related automobile receivables. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the automobile receivables may not have a proper security interest in all of the obligations backing such receivables. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing directly or indirectly in ABS is ultimately dependent upon payment of consumer loans by the debtor.

Risks Associated with Residential Mortgage-Backed Securities. Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represents interests in pools of residential mortgage loans secured by one- to four-family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity. The rate of defaults and losses on residential mortgages will be affected by a number of factors, including general economic conditions and those in the area where the related mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage may be a lengthy and difficult process, and may involve significant expenses. Residential mortgage loans may be more susceptible to geographic risks relating to an area in which the collateral is concentrated, such as adverse economic conditions, adverse events affecting industries located in such area and natural hazards affecting such area, than would be the case for a pool of mortgage loans having more diverse property locations.

Residential mortgage loans in an issue of RMBS may be subject to various federal and state laws, public policies and principles of equity that protect consumers, which among other things may regulate interest rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and regulate debt collection practices. Violation of certain provisions of these laws, public policies and principles may limit the servicer's ability to collect all or part of the principal of or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. Any such violation could also result in cash flow delays and losses on the related issue of RMBS.

Risks Associated with Commercial Mortgage-Backed Securities. The value of CMBS will be influenced by factors affecting the value of the underlying real estate portfolio, and by the terms and payment histories of such CMBS. The value of CMBS in which a Client may be indirectly exposed to generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities will decline. In addition, to the extent that the mortgage loans which underlie specific mortgage-backed securities are prepayable, the value of such mortgage securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline. Typically, commercial

mortgage loans are not prepayable or are subject to prepayment penalties or interest rate adjustments, while the principal on most residential mortgage loans generally may be prepaid at any time without penalty.

Bank Loans. The Firm will invest in loans and participations therein originated by banks and other financial institutions. These investments may include highly leveraged loans to borrowers whose credit is rated below investment grade. Such loans are typically private corporate loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks and financial institutions. In order to induce the lenders to extend credit and to offer a favorable interest rate, the borrower often provides the lenders with extensive information about its business that is not generally available to the public. To the extent that a Client obtains such information and it is material and nonpublic, such Client will be unable to trade in the securities of the borrower until the information is disclosed to the public or otherwise ceases to be material, nonpublic information.

The Firm may invest, on behalf of a Client, directly or through participations in loans with revolving credit features or other commitments or guarantees to lend funds in the future. A failure by a Client to advance requested funds to a borrower could result in claims against such Client and in possible assertions of offsets against amounts previously lent.

The Firm may acquire interests in bank loans and other debt obligations either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. A participation interest in a portion of a debt obligation typically results in a contractual relationship with only the institution acting as a lender under the credit agreement, not with the borrower. As a holder of a participation interest, a Client generally will have no right to exercise the rights of the lender under the credit agreement, including the right to enforce compliance by the borrower with the terms of the loan agreement, approve amendments or waivers of terms, nor will such Client have any rights of set-off against the borrower, and such Client may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, such Client will be exposed to the credit risk of both the borrower and the institution selling the participation.

Risks Associated with Issuers in Bankruptcy and/or Liquidation. Investments made by the Firm may be non-performing or in default, and the issuer or obligor may be forced to enter into bankruptcy or liquidation proceedings. Events within a bankruptcy case are frequently adversarial and beyond the control of creditors. While creditors generally are afforded an opportunity to object to significant actions, a bankruptcy court may approve actions that may be contrary to the interests of a Client. Furthermore, creditors and equity holders may lose their ranking and priority when they take over management and functional operating control of a debtor.

The duration of a bankruptcy cannot be estimated with any degree of certainty. Generally, no interest will be permitted to accrue during, and, therefore, return on investment may be adversely affected by, the passage of time during which a plan of reorganization of a debtor is being negotiated, approved by the creditors and confirmed by a bankruptcy court.

The Firm, on behalf of a Client, may seek representation on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of such Client's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the Firm concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to a Client, it may decide to resign from that committee or group, and such Client may not realize the benefits, if any, of the Firm's participation on the committee or group. In addition, if a Client is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in that debtor while it continues to be represented on such committee or group.

Fraudulent Conveyance Considerations. Various laws enacted for the protection of creditors may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary from jurisdiction to jurisdiction. For example, if a court were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest or other lien securing such investment, and, after giving effect to such indebtedness, the borrower (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital or (iii) intended to incur or believed that it would incur debts beyond its ability to pay such debts as they mature, such court could invalidate such indebtedness and such security interest or other lien as fraudulent conveyances, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to a Client) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness. In addition, if an issuer in which a Client has an investment becomes insolvent, any payment made on such investment may be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before insolvency.

In general, if payments on an investment are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from a Client, the resulting loss will be borne by investors in such Client.

Equities. The Firm may invest its capital in long and short positions in equities, deferred interest obligations and other investments which do not produce current income for a Client. Equity prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries investing in equity is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

Trade and Other General Unsecured Claims. The Firm will acquire interests in claims of trade creditors and other general unsecured claim holders of a debtor ("**Trade Claims**"). Trade Claims generally include, but are not limited to, claims of suppliers for goods delivered and not paid, claims for unpaid services rendered, claims for contract rejections and claims related to litigation. Trade Claims are typically unsecured and may, in unusual circumstances, be subordinated to other unsecured obligations of the debtor. The repayment of Trade Claims is subject to significant uncertainties, including potential set-off by the debtor as well as the other uncertainties with respect to other distressed securities. Trade Claim risks also include the potential reclassification/subordination of the claims. In addition, the Trade Claims market is inefficient and as such liquidity, (i.e. the ability to re-sell a claim) is often times

limited. Trade Claims also carry an increased administrative time/cost component relative to other unsecured obligations. Lastly, the timing of distributions for Trade Claims is often unknown and can take place later than other *pari passu* unsecured obligations of the debtor. A Trade Claim may be transferred or assigned after a petition in bankruptcy is filed, including after a proof of claim has been filed. A Client's investments in trade claims and high risk receivables may also entail special risks including, but not limited to, fraud on the part of the assignor of the trade claim as well as logistical and mechanical issues which may affect the ability of such Client or its agent to collect the claim in whole or in part.

Derivative Instruments Generally. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk. Derivatives traded over-the-counter may not have an authoritative source of valuation and the models used to value such derivatives are subject to change. Special risks may apply in the future that cannot be determined at this time with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available.

Call Options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index or Index Options. The value of an index or index option fluctuates with changes in the market values of the securities included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular security, whether a Client will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the security market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular securities.

Index Futures. The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, shareholders may close futures

contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by a Client also is subject to the Firm's ability to correctly predict movements in the direction of the market.

Swaps. Whether the Firm's use of swap agreements or swaptions will be successful will depend on its ability to select appropriate transactions for a Client. Swap agreements and options on swap agreements ("**swaptions**") can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease the holder's exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. Swap transactions may be highly illiquid and may increase or decrease the volatility of a Client's portfolio. Moreover, a Client will bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. A Client will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of such Client to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect a Client's ability to terminate swap transactions or to realize amounts to be received under such transactions.

Futures Contracts. The value of futures contracts depends upon the price of the securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which a Client's positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Firm from promptly liquidating unfavorable positions and subject a Client to substantial losses or prevent it from entering into desired trades. Also, 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. In extraordinary circumstances, a futures exchange or the U.S. Commodity Futures Trading Commission (the "**CFTC**") could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Forward Contracts. Banking authorities generally do not regulate trading in forward contracts. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. The imposition of credit controls or price risk limitations

by governmental authorities may limit such forward trading to less than that which the Firm would otherwise recommend, to the possible detriment of a Client. In its forward trading, a Client will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which such Client trades. Assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. The Firm may order trades for a Client in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject such Client to the risk of loss.

Contracts for Differences. Contracts for differences (“CFDs”) are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument’s value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. A CFD is usually terminated at the buyer’s initiative. As is the case with owning any financial instrument, there is the risk of loss associated with buying a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the buyer to post additional margin. CFDs also carry counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require the buyer to make additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on a Client’s obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase such Client’s financial risk.

Credit Default Swaps. The Firm may purchase and sell credit derivative contracts – primarily credit default swaps – both for hedging and other purposes. The typical credit default swap contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of securities issued by the reference entity that the buyer delivers to the seller. In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. The Firm may also sell credit default swaps on a basket of reference entities as part of a synthetic collateralized debt obligation transaction.

As a buyer of credit default swaps, a Client will be exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called “short squeeze.” While the credit default swap market auction protocols reduce this risk, it is still possible that an auction will not be organized or will be unsuccessful. In certain instances of issuer defaults or restructurings (for those credit default swaps for which restructuring is specified as a credit event), it has been unclear under the standard industry documentation for credit default swaps whether or not a “credit event” triggering the seller’s payment obligation has occurred. The creation of the new ISDA Credit

Derivative Determination Committee (the “**Determination Committee**”) is intended to reduce this uncertainty and create uniformity across the market, although it is possible that the Determinations Committee will not be able to reach a resolution or do so on a timely basis. In either of these cases, a Client would not be able to realize the full value of the credit default swap upon a default by the reference entity.

As a seller of credit default swaps, a Client will incur leveraged exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, a Client will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity’s debt obligations. In addition, the credit default swap buyer will have broad discretion to select which of the reference entity’s debt obligations to deliver to a Client following a credit event and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of such Client.

Credit default swaps generally trade on the basis of theoretical pricing and valuation models, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions.

It appears that there are likely to be widespread defaults under certain credit default swaps as a result of the current credit market disruptions. The credit derivative market may become subject to increased regulation, which could increase costs or even prevent participation by a Client.

Failure to Enter into Offsetting Trade. To the extent the Firm invests in a futures contract or option long, unless an offsetting trade is made, a Client would be required to take physical delivery of the commodity underlying the future or option. To the extent the Firm fails to enter into such offsetting trade prior to the expiration of the contract, a Client may suffer a loss since neither such Client nor the Firm has the operational capacity to accept physical delivery of commodities.

Illiquid Investments. The Firm may invest in illiquid securities or other instruments, including both listed and unlisted instruments. Additionally, investments may become illiquid due to market conditions. The success of these investments is typically dependent not only upon the performance of such companies, but also upon the Firm’s ability to engineer effective “exit strategies” in order to realize any enterprise value created or to force the companies to create liquidity opportunities. These investments may consume a substantial amount of the Firm’s time. The market prices, if any, for these securities tend to be volatile and may not be readily ascertainable, and the Firm, on behalf of a Client, may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The Firm may be contractually prohibited from disposing of certain of these investments, on behalf of a Client, for a specified period of time. The sale of restricted and/or illiquid securities often requires more time and may result in higher brokerage charges than does the sale of more liquid securities. The limited liquidity of these investments may subject them to more extensive fluctuations in value and may impair the ability of a Client to exit such investments in times of adversity. Companies whose securities are not publicly-traded generally will not be subject to public disclosure and other investor protection requirements applicable to publicly-traded securities. Illiquid positions also may be difficult to value and such valuation may require the exercise of substantial discretion by the Firm.

Investments in Collateralized Loan Obligations. The Firm may invest in collateralized loan obligations (“**CLO Investments**”) through purchases in the primary or the secondary market. These CLO Investments are principally collateralized by senior secured assets. CLO Investments are subject to various risks including the following credit, liquidity, interest rate and other risks. Investment in CLOs involves significant leverage, which could result in a substantial loss to the investor in the CLO. The value of these CLO Investments generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CLO (“**CLO Collateral**”), market conditions, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Under certain circumstances, cash flows from CLO Collateral that otherwise would have been paid to the holders of its mezzanine CLO debt and the related CLO equity will be used to redeem the related CLO senior tranches. This could result in an elimination, deferral or reduction in the interest payments, principal repayments or other payments made to the holders of such CLO debt, which are the CLO Investments in which the Firm will invest, which could adversely impact the returns to a Client. An optional redemption by a CLO of its notes could require the collateral or portfolio manager of the related CLO to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the items of CLO Collateral sold (and which in turn could adversely impact the holders of any related CLO equity securities, including a Client). The prices of the CLO Collateral are highly volatile. Price movements are influenced by, among other things: changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; U.S. and foreign political events and policies; changes in national and/or international interest rates and rates of inflation; currency devaluations and revaluations, and market sentiments. None of these factors can be controlled by the Firm and no assurance can be given that the advice of the Firm will result in profitable investments for a Client.

Non-U.S. Exchanges. The Firm may trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. securities, futures, commodities and other securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

Non-U.S. Investments. Investing in the securities outside of the United States involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. Government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the Firm may be unable to structure its transactions to achieve the

intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce a Client's rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Firm and a Client under such laws and regulations are unavailable for transactions on foreign exchanges and with foreign counterparties.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this Memorandum in its entirety, as well as the organizational documents of the Fund and consult with their own advisers before deciding whether to invest in the Fund.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

Olympic Peak meets the definition of a commodity pool operator ("**CPO**") and, depending on the amount of commodity interests that we trade, we may be required to register with the CFTC and become a member of the National Futures Association ("**NFA**"). However, we expect to be exempt from registration with respect to each Client pursuant to CFTC Rule 4.13(a)(3) based on our trading in respect of each such Client a de minimis level of commodity interests.

Olympic Peak Consulting LLC ("**Olympic Peak Consulting**"), a Delaware limited liability company, is a subsidiary controlled by the Firm whose economic ownership is owned 100% by Scott Friedman ("**Friedman**"), a full time employee of the Firm. Olympic Peak Consulting provides consulting advice to a number of vendors regarding their high risk accounts receivable. Activities of Olympic Peak Consulting are believed to provide information and potential deal flow to the Firm. Olympic Peak Consulting is a successor to Scott Friedman Consulting, Inc., which was owned and controlled by Friedman. Vendor contracts with Scott Friedman Consulting, Inc. will be transferred to Olympic Peak Consulting during 2019.

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***Code of Ethics***

Olympic Peak 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 Clients first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Personal Securities Trading

The Code of Ethics places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions on a periodic basis, and are only permitted to make permitted investments. Permitted investments include (i) transactions and holdings in direct obligations of the U.S. government, (ii) money market instruments defined as bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, (iii) shares issued by money market funds, (iv) shares issued by open-end funds (mutual funds); provided that such funds are not advised by us or an affiliate and such fund’s advisor or principle underwriter is not controlled or under common with Olympic Peak, (v) exchange traded funds, exchange traded notes and municipal bonds and (vi) units of a unit investment trust; if the unit investment trust is invested exclusively in one or more open-end funds, provided that such funds are not advised by us or an affiliate and such fund’s adviser or principle underwriter is not controlled or under common control with us.

Employees are not permitted to purchase, on its own behalf, individual securities that would be appropriate for, held by, or may fall within the investment guidelines of a Client (“Restricted Fund Securities”). Certain employees of the Firm may currently hold Restricted Fund Securities. Any such employees are required to obtain pre-approval from us prior to disposing of any such Restricted Fund Securities.

We will provide a copy of our Code of Ethics to our Investors, or any prospective Investor, upon request, to be viewed on the premises.

Investments by Senior Management and Key Employees

Subject to applicable regulatory restrictions, senior management and key employees of Olympic Peak may choose to personally invest, directly and/or indirectly, in a Client. Such investors may be in possession of information, including portfolio information, not available

to other Investors and prospective Investors It is expected that, if such investments are made, the size and nature of these investments will change over time without notice to Investors. Investments by the senior management and key employees in a Client could incentivize the senior management and key employees to increase or decrease the risk profile of such Client.

Participation or Interest in Client Transactions

Cross Trades and Principal Transactions

While Olympic Peak does not currently anticipate transferring securities from one Client account to another Client account (each such transfer, a "**Cross Trade**"), the Firm would only so do if Olympic Peak determined the Cross Trade was the in best interests of both Clients. Further Olympic Peak would seek to ensure that any such Cross Trade is consistent with the investment objectives and policies of each Client account involved in the trade and applicable law, as well as with the Firm's fiduciary duty and obligation to seek to obtain best execution for each Client.

Principal Transactions

To the extent that Cross Trades may be viewed as principal transactions (as such term is defined under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**")) due to the ownership interest in a Client by the Firm or its personnel, the Firm will comply with the requirements of Section 206(3) of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), including that any such transactions will be considered on behalf of investors in such a Client and approved or disapproved by (i) independent members of the Board of Directors; or (ii) a committee consisting of one or more persons selected by the Firm (including the Governance Board).

Conflicts of Interest Created by Contemporaneous Trading or Outside Business Activities

Olympic Peak will allocate investment opportunities to the Clients fairly, to the extent practical and in accordance with the Client's applicable investment strategies, over a period of time. Investment opportunities will generally be allocated among those Clients for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (a) whether the risk-return profile of the proposed investment is consistent with the objectives of a Client, which objectives may be considered (i) solely in light of the specific investment under consideration or (ii) in the context of the portfolio's overall holdings and available capital; (b) the potential for the proposed investment to create an imbalance in the portfolio of the a Client; (c) liquidity requirements of a Client; (d) potential tax consequences; (e) legal or regulatory restrictions; (f) the need to re-size risk in the portfolio of a Client; (g) whether a Client has a substantial amount of investable cash (*e.g.*, during a "ramp-up" period); (h) leverage capacity; and (i) position limits or other investment restrictions applicable to a Client.

Item 12: Brokerage Practices

Olympic Peak is authorized to determine the broker-dealer to be used for executing securities transactions for the Clients. 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 brokers and negotiating commission rates, we will take into account the financial stability and reputation of brokerage firms, and the research, brokerage, or other services provided by such brokers.

In selecting an appropriate broker-dealer to effect 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. Elements of Best Execution may include best price (best price is considered to be the highest price that a client can sell a security and the lowest price that a client can purchase a security), timeliness of execution, the value of research provided, the responsiveness of the broker-dealer, and the broker-dealer's financial resources. Olympic Peak's "**Best Execution Policy**" requires that all trades are executed through approved broker-dealers and that the Firm reviews the performance of its broker-dealers to evaluate whether the Firm is obtaining Best Execution for its Clients' trades.

Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, we may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: execution quality; historical net prices (after markups, markdowns or other transaction-related compensation), the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; the availability of securities to borrow for short sales; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment and commitment of capital.

Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to a Client by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. The Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Olympic Peak nor any Client separately compensates any broker or dealer for any of these other services.

Olympic Peak maintains policies and procedures to review the quality of executions, including periodic reviews by its trading and investment professionals.

Soft Dollars

The Firm currently does not use soft dollars. The Firm may however use them in the future. In such cases, soft dollar credits, generated by a Client's trading activities, would be used to purchase brokerage and research services or products that would otherwise have been a Client's expense. The Firm intends to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

Neither Olympic Peak nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, we 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.

Order Aggregation

If we determine that the purchase or sale of a security is appropriate with regard to more than one Client, we may but are not obligated to, purchase or sell such a security on behalf of such accounts with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating account will receive the average price, with transaction costs generally allocated *pro rata* based on the size of each account's participation in the order (or allocation in the event of a partial fill) as determined by Olympic Peak. In the event of a partial fill, allocations may be modified on a basis that Olympic Peak deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations.

Trade Error Policy

A Client may on occasion experience a trade error. It is the Firm's policy to endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent a trade error is caused by a counterparty, such as a broker-dealer, the Firm generally will seek to recover any losses associated with such error from the counterparty. Pursuant to this policy, a Client will benefit from any gains resulting from trade errors and will be responsible for any losses (including additional trading costs) resulting from trade errors and similar human errors, absent bad faith, gross negligence, willful misconduct or actual fraud.

Item 13: Review of Accounts

Our Chief Investment Officer 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 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.

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

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

We will be deemed to have custody of the funds of our Clients and securities because we have the authority to obtain funds or securities on behalf of our Clients, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by qualified custodians to Olympic Peak.

We will comply with Advisers Act's Custody Rule by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund's audited financials to Investors within 120 days of the Fund's fiscal year end.

Item 16: Investment Discretion

We will have full discretionary authority over the accounts of our Clients 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.

Item 17: Voting Client Securities

In compliance with the Advisers Act's Proxy Voting Rule, we have adopted proxy voting policies and procedures. The Firm will comply with the Proxy Voting Rule and will act solely in the best interests its Clients when exercising its proxy voting authority. The Firm determines whether and how to vote corporate actions and proxies on a case-by-case basis, and will:

- Attempt to consider all aspects of the vote that could affect the value of the issuer or that of the Client.
- Vote in a manner that it believes is consistent with the Client's stated objectives.
- Generally, vote in accordance with the recommendation of the issuing company's management on routine and administrative matters, unless the Firm has a particular reason to vote to the contrary.

Generally, Investors may not direct our vote in a particular solicitation. Clients or Investors may obtain a copy of our Proxy voting policies and procedures by contacting Karina McNish at kmcnish@olympicpeakmgmt.com, or 212-373-1185. Investors may obtain any of our Proxy voting records upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.