

KINGSWAY CAPITAL PARTNERS LIMITED

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FORM ADV PART 2A

THE “BROCHURE”

February 5, 2019

ITEM 1: COVER PAGE

This brochure provides information about the qualifications and business practices of Kingsway Capital Partners Limited. If you have any questions about the contents of this brochure, please contact us at (011) 44 20 7659 4130 and/or cm@kingswaycap.com. The information in this brochure has not been approved or verified by the United States (“US”) Securities and Exchange Commission (“SEC”), any other state or federal regulatory authority, any foreign regulatory authority or any self-regulatory body.

Additional information about Kingsway Capital Partners Limited also is available on the SEC’s website at www.adviserinfo.sec.gov.

Whilst Kingsway Capital Partners Limited is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940 (the “Advisers Act”), as amended, it does not comply with the Advisers Act with regard to its non-US clients. Registration with the SEC does not imply a certain level of skills or training.

ITEM 2: MATERIAL CHANGES

Since Kingsway Capital Partners Limited (Kingsway Capital”) filed its most recent Form ADV Part 2A: Firm Brochure on June 29, 2018, there have been no material changes to Kingsway Capital’s Brochure. Items 4, 5, 6, 7, 10, 11, 13 and 16 have been updated to reflect the provision of services to additional private funds and advisory clients and, as relevant, related compliance policies and procedures. In addition, more clarification or disclosure has been provided with respect to the information previously provided.

ITEM 3: TABLE OF CONTENTS

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	6
Item 6: Performance-Based fees and Side-by-Side Management.....	9
Item 7: Types of Clients.....	10
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9: Disciplinary Information.....	18
Item 10: Other Financial Industry Activities and Affiliations.....	19
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	22
Item 12: Brokerage Practices	25
Item 13: Review of Accounts	28
Item 14: Client Referrals and Other Compensation.....	28
Item 15: Custody.....	29
Item 16: Investment Discretion.....	29
Item 17: Voting Client Securities.....	30
Item 18: Financial Information.....	30

ITEM 4: ADVISORY BUSINESS

A. General Description of Advisory Firm

Kingsway Capital Partners Limited (“Kingsway Capital”) is a private limited company incorporated under the laws of England and Wales on February 28, 2017. Kingsway Capital commenced business on February 1, 2018. Kingsway Capital’s registered office address is Eighth Floor, 6 New Street Square, New Fetter Lane, London EC4A 3AQ, United Kingdom and its principal place of business is 24 Upper Brook Street, London W1K 7QB, United Kingdom.

Kingsway Capital was founded by Manuel Stotz, who through its UK incorporated holding entity, Koenigsweg Holdings Limited, is its principal owner and sole controller. Manuel Stotz is also Kingsway Capital’s Chief Executive Officer (“CEO”) and Chief Investment Officer (“CIO”).

Kingsway Capital has been authorised and regulated by the Financial Conduct Authority in the United Kingdom (the “FCA”) since January 16, 2018 as an Alternative Investment Fund Manager (“AIFM”) and complies with applicable rules and capital requirements with respect to the Alternative Investment Fund Manager Directive (“AIFMD”) and applicable FCA Rules. As of January 31, 2018, pursuant to a corporate restructuring, Kingsway Capital succeeded to the business of Kingsway Capital LLP, which had been operating in the United Kingdom as an FCA regulated AIFM since May 1, 2015.

Kingsway Capital’s investment staff is organized into two separate teams, each specializing in a distinct investment strategy: the investment team specializing in frontier markets consumer franchise investments (“Kingsway Business or Team”); and the investment team specializing in the global consumer staples sector, which has separately branded itself “Ash Park”.

Kingsway Capital Advisors LLP – Participating Affiliate

Kingsway Capital is a member of, and receives advisory services and operational support services from, Kingsway Capital Advisors LLP (“KCA LLP”). KCA LLP is a United Kingdom limited liability partnership which is authorised to act as “Appointed Representative” to Kingsway Capital by the FCA. KCA LLP is also a “Participating Affiliate” of Kingsway Capital. The services provided by KCA LLP to Kingsway Capital include investment research, marketing, client servicing, compliance and risk management support, operations, legal, secretarial services and other miscellaneous business support. See Item 10. C - Material Relationships or Arrangements with Industry Participants for additional information about services provided by KCA LLP staff to Kingsway Capital’s clients. KCA LLP does not have any discretionary authority to make investment decisions for or undertake discretionary trading on behalf of Kingsway Capital’s clients, but may provide investment advice. All discretionary investment management decisions in relation to and trading for Kingsway Capital clients is undertaken by Kingsway Capital staff.

B. Description of Advisory Services

Kingsway Capital offers discretionary investment management and advisory services.

Discretionary investment management services are provided to Kingsway Capital-sponsored pooled investment funds domiciled in Europe, the Cayman Islands and the U.S.A. (the “Kingsway Capital Funds”). Certain Kingsway

Funds are offered to US persons (each such Kingsway Capital Fund, a “Kingsway Capital Private Fund”). Please refer to Section 7.B. of Schedule D to Kingsway Capital’s Form ADV Part 1 for a details of Kingsway Capital Private Funds to which Kingsway Capital provides investment management services. In addition, the Ash Park Team of Kingsway Capital provides discretionary investment management services to institutional segregated, managed accounts, including to ERISA accounts. The Kingsway Team also offers advisory services to sophisticated, professional investors, who may subsequently co-invest in an investment opportunity.

An investor or prospect in a Kingsway Fund will be expected to refer to the confidential private placement memorandum (“PPM”), limited liability company agreement, articles of association and other governing documents for such pooled investment vehicle (together the “Governing Documents”) for more complete information about the investment objectives and investment restrictions applicable to such pooled investment vehicle. Persons reviewing this Brochure should not construe this as an offering of any of the Kingsway Capital Private Funds described herein, which will only be made pursuant to the delivery of relevant Governing Documents to prospective investors.

There is no assurance that any client account’s investment objectives will be achieved.

Kingsway Capital may in the future provide investment management or advisory services to other pooled investment vehicles, and/or separately managed accounts.

Please see Item 8 for additional information related to methods of analysis, investment strategies and risk of loss.

C. Availability of Tailored Services for Individual Clients

Kingsway Capital may agree to tailor advisory services to the individual needs of clients including creating new investment strategies in response to specific client requests. Kingsway Capital may agree to investment restrictions or guidelines with respect to the types or amounts of securities or other financial instruments that may be purchased or sold for the client’s account or for an advisory client account.

Kingsway Capital will not enter into “side letters” or similar agreements with investors in the Kingsway Capital Funds granting the investor certain specific rights, benefits, or privileges that are not made available to other equivalent investors.

D. Wrap Fee Programs

Kingsway Capital does not participate in wrap fee programs.

E. Assets under Management

As of December 31, 2018, Kingsway Capital had 10 clients with an aggregate \$2,042,972,002 of discretionary assets under management.

ITEM 5: FEES AND COMPENSATION

A. Advisory Fees

An investor in a Kingsway Capital Fund should review the Governing Documents of each such pooled investment vehicle in conjunction with this Brochure for more complete information on the fees and compensation payable. A summary only is provided below.

Management Fees

With respect to discretionary investment management clients investing predominantly in liquid assets, mainly publicly listed securities, Kingsway Capital is generally paid or allocated a quarterly or monthly management fee of between 1% to 1.5% per annum of the aggregate net asset value of each investor's capital account or series of shares, as applicable. With respect to discretionary investment management clients investing predominantly in private equity, Kingsway Capital is generally allocated a half yearly management fee of 1.5% per annum of total committed capital, called capital invested (at cost) or total assets under management, except in respect of the Kingsway Capital "overflow" or co-investment private funds ("Kingsway Capital Co-Investment Private Funds") where there is no management fee. Where payable, investment management fees are generally paid monthly, quarterly or semi-annually in arrears, except in respect of side pocket or, if in issue, liquidating share classes where management fees are only paid on disposition of the relevant underlying asset.

Performance-Based Allocations or Fees

There are no performance fees payable in respect of clients managed pursuant to the Ash Park strategy.

Regarding the Kingsway strategy certain Kingsway Capital Private Funds management by the Kingsway Team charge performance-based charges which are payable to carried interest vehicles ("Carry Vehicles") that are affiliates or related persons of Kingsway Capital. The Carry Vehicles are more fully described under Item 10; C. Material Relationships or Arrangements with Industry Participants.

Kingsway strategy discretionary investment management funds that invest predominantly or exclusively in liquid assets generally allocate to the relevant Carry Vehicle an annual performance-based fee of between 10% to 20% of the net gain earned by each investor over a 3 year period in excess of a cumulative hurdle rate which may be subject to a high water mark. Payment relating to liquid share classes in these funds is in arrears at the end of the 3 year period or upon redemption. Regarding private asset share classes or when in issue, liquidating share classes, performance related payment is made only on the disposition of relevant underlying assets. Out-performance paid related to the sale of private assets is subject to clawback.

In respect of Kingsway private equity strategy discretionary investment management funds that primarily invest in private equity assets, the relevant Carry Vehicle is generally allocated or paid a performance-based allocation or fee of 20% to 25% of the proceeds realised upon the disposition of the assets of the fund; subject to the return of capital contributions to investors, a preferred return to investors and catch-up allocations to Kingsway Capital. In certain cases, these private equity funds pay Kingsway Capital a portion of its performance-based allocation or fee prior to the disposition of assets of the fund and may be subject to adjustment upon liquidation of the fund.

Certain investors in Kingsway Capital Private Funds that are connected to Kingsway Capital or investment made by a Kingsway Capital Private Fund in another Kingsway Capital Private Fund may be eligible to invest in classes of shares or interests that bear reduced investment management fees and/or reduced performance based charges.

Advisory Fees

Advisory fees are charged to advisory clients as negotiated and agreed between the parties.

B. Payment of Fees

Investment management fees and performance related charges are deducted directly from the assets of the relevant Kingsway Capital Private Fund, by the relevant administrator and are not deducted by Kingsway Capital. The performance allocation is payable annually or upon withdrawal of capital from any Kingsway Capital Private Fund.

Discretionary investment managed clients do not pay fees in advance. Kingsway Capital will not allow segregated managed account clients to elect that Kingsway Capital deduct its fees directly from their account.

Advisory fees paid by investment advisory clients are typically invoiced to the advisory client quarterly, and may be payable in advance, as negotiated with the client.

C. Other Fees and Expenses

In addition to paying investment management fees, discretionary clients of Kingsway Capital are typically responsible for all costs and expenses incurred in connection with the investments in their accounts, including custodial charges; brokerage commissions; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts.

Client assets may be also invested in money market mutual funds or other unrelated registered investment companies ("External Funds"). In these cases, the client will bear its pro rata share of the investment management fee and other fees and expenses of the External Fund, which are in addition to the investment management fee paid to Kingsway Capital.

Kingsway Capital Private Funds

In addition to the expenses set forth above, each of the Kingsway Capital Private Funds also pay legal fees, research fees and expenses, fees charged by accountants, attorneys, auditors and administrators for their professional services and other expenses including related to the relevant Kingsway Capital Private Fund as described in greater detail in the Kingsway Capital Private Fund's Governing Documents. In particular, an investor may bear some or all of the following costs and expenses:

- investment expenses (e.g., expenses that are related to the investment of the Kingsway Capital Private Fund's assets, whether or not such investments are consummated, such as expenses relating to clearing and settlement charges, custodial fees, bank service fees and interest expenses);

- professional fees (including expenses of consultants, operating partners, investment bankers, attorneys, accountants and other experts) relating to investments and research expenses;
- organisational expenses;
- costs and expenses of maintaining the Kingsway Capital Private Fund including the operations of the Kingsway Capital Private Fund paid by it or on its behalf, determined on a cash basis, including, without limitation, legal, filing, auditing, consulting, custody, administration and accounting fees and expenses;
- expenses associated with the Fund's information, communication and reporting costs, including investor annual meeting expenses (excluding expenses of individual investors);
- expenses of any third-party advisory committees of the Kingsway Capital Private Fund such as expenses of an Advisory Board, if any;
- the costs of preparation of the Kingsway Capital Private Fund's financial statements;
- fees of the directors/managing members of the Kingsway Capital Private Fund or its General Partner, as applicable;
- insurance, interest and other expenses incurred in respect of borrowings of the Kingsway Capital Private Fund and its subsidiaries;
- the costs and expenses of any litigation involving the Kingsway Capital Private Fund and the amount of any judgments or settlements paid in connection therewith; and any entity level taxes, fees or other governmental charges levied against the Kingsway Capital Private Fund.

The Kingsway Capital Private Funds will reimburse Kingsway Capital for any expenses paid by Kingsway Capital that are expenses to be properly borne by the Kingsway Capital Private Funds.

Item 12 below describes the factors that Kingsway Capital considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Advisory Clients

Expenses will be charged as agreed in the applicable Advisory Agreement and may include research, legal fees and other disbursements as agreed between the parties.

D. Prepayment of Fees.

There is no prepayment of fees on Kingsway Capital Funds. Prepayments of fees on investment advisory accounts may be made as negotiated and agreed with the client. Please see responses to Item 5; A. Advisory Fees above.

On termination of contract with an investment advisory client any fee paid in advance will be returned on a time proportioned basis.

E. Additional Compensation and Conflicts of Interest.

Kingsway Capital, its related persons, any of their employees or officers (including any supervised person) do not receive any form of compensation as broker or agent for the sale of securities or other investment products by any client account.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance-Based Fees

As described under Item 5 above, Kingsway Capital or its related persons may receive a performance-based fee or special allocation of profits from its discretionary investment clients (including some of the Kingsway Capital Funds) separate and distinct from the investment management fees that such clients pay Kingsway Capital for its investment management services. Different client accounts may be subject to different performance-based compensation arrangements. The performance-based compensation arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940, as amended (together with all the rules and regulations promulgated thereunder, the “Advisers Act”).

Performance-based compensation arrangements received by Kingsway Capital or its related persons may create an incentive for Kingsway Capital to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Please refer to the Governing Documents of the applicable Kingsway Capital Fund for more complete information on the performance-based compensation arrangements applicable to each Kingsway Capital Fund.

Side-by-Side Management

Where Kingsway Capital is entitled to receive a higher percentage of the net profits of the account of one client than the percentage that Kingsway Capital receives from another client, then Kingsway Capital may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the client that is subject to the higher percentage. Kingsway Capital will, as a policy, allocate all investment opportunities among its clients in a manner that it considers fair and equitable to all clients, considering all factors potentially applicable to each client. Among the factors that may be considered by Kingsway Capital in allocating trades among client accounts are: investment strategies, guidelines or restrictions applicable to each specific client; cash availability; liquidity requirements for payment of redemptions or other purposes; risk tolerances; restrictions under ERISA or other applicable laws or regulations; available credit lines; counterparty arrangements; account size; industry and security weightings; and hedging objectives and activity. In the event investment opportunities are suitable for more than one client account, Kingsway Capital will allocate such investment opportunities in a manner that is fair and equitable to each client account relative to the other client accounts over time, taking into account all relevant facts and circumstances.

Kingsway Capital may provide concurrent discretionary investment management services to clients that are not charged a performance based fee or allocation by Kingsway Capital or a related person, and clients that are charged a performance based fee or allocation by Kingsway Capital or a related person. As a result, the potential for Kingsway Capital to receive greater fees or allocations from accounts paying performance-based fees creates a potential conflict of interest with respect to the allocation of investment opportunities, as Kingsway Capital may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a performance fee or allocation. To alleviate potential conflicts of interest, the allocation of commitments and investment decisions with respect to each client account are made by Kingsway Capital with respect to all client accounts in accordance with Kingsway Capital’s investment allocation policies and procedures. See also Item 12; B. Aggregated Orders for Various Client Accounts.

Management of the conflict of interest between discretionary investment and advisory clients

Kingsway Capital may enter into agreements for the making of investment recommendations regarding equity and related investments to advisory clients. Where this occurs, advisory clients are to be advised that such investment recommendations will be made after such investment opportunities have been considered by the Kingsway Capital investment team for the benefit of Kingsway Capital's discretionary managed clients, including both fund and segregated, managed account clients, as relevant.

Investment recommendations made to advisory clients by Kingsway Capital:

- 1) will not include recommendations in investments that Kingsway Capital has decided to invest on behalf of the Kingsway Fund;
- 2) may include investments outside the investable universe of Kingsway Capital's discretionary clients;
- 3) may include investments where Kingsway Capital has decided not to invest on a behalf of its discretionary clients for whatever reason; and
- 4) may be in private investments in which Kingsway's vehicles investing exclusively in private equity, FCI or the Kingsway FCI Co-Investment SPC segregated portfolios ("FCI Funds") have, or intend to have, an interest.

Whilst it is possible that co-investment in private equity investments recommended may occur at the same time or price as investment undertaken by Kingsway Capital on behalf of its discretionary clients, advisory clients may trade securities after certain Kingsway Capital discretionary clients have traded the same investments. The earlier trading may adversely impact liquidity or execution prices obtained later by advisory clients. This risk is disclosed in Risk Warnings provided to advisory clients.

Cost and charges, where relevant, including investment research, will be separately charged on an equitable basis.

ITEM 7: TYPES OF CLIENTS

Types of Clients

As noted under Item 4 above, Kingsway Capital provides discretionary investment management services to the Kingsway Capital Funds which includes certain pooled investment vehicles offered solely outside the US to non-US investors; in addition, Kingsway Capital acts as discretionary investment advisor to US and non US segregated, managed accounts. Kingsway Capital's clients and the investors in the Kingsway Capital Funds may include corporations, endowments, foundations, trusts, estates, charitable organizations, pension and profit sharing plans and high net worth individuals.

All Kingsway Capital Private Funds require that US investors qualify as "accredited investors," as defined in Rule 501(a) of Regulation D under the Securities Act and as "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended, (the "Investment Company Act").

Kingsway Capital provides investment advice regarding its expertise in frontier markets and private investments to sophisticated professional investors.

Minimum Investment Requirements

The minimum investment in respect of each Kingsway Capital Private Fund is set out in the Kingsway Capital Fund's Governing Documents. The board of directors, manager or general partner, as the case may be, of a Kingsway Capital Private Fund may, in its discretion, waive the minimum investment amount.

Kingsway Capital generally requires that a client invests a minimum of \$50,000,000 to open a separately managed account. However, Kingsway Capital may accept a lesser initial investment in its sole discretion.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Kingsway Capital's investment advice is limited to the following strategies:

Frontier Markets Consumer Franchises (Kingsway Fund Strategy)

This strategy seeks to provide long-term capital appreciation, primarily by investing in listed securities of consumer companies based or whose main activity is located in a "Frontier Market". The strategy concentrates primarily on consumer-focused franchises which include breweries, food and beverage, home and personal care and other similar sectors. Kingsway Capital undertakes detailed fundamental analysis of the companies, sectors, categories and markets in which its target companies operate in. Kingsway Capital seeks to invest primarily, but not exclusively, in corporate-listed subsidiaries that Kingsway Capital believes are capable of compounding in value at a fast rate over a very long term horizon. In selecting companies appropriate for long-term investment, Kingsway Capital first applies rigorous bottom-up criteria emphasising quality of franchise (such as high returns on capital employed and ability to sustain such returns), value, managerial character and shareholder alignment through the return of excess cash to shareholders, typically via dividends. Additionally, Kingsway Capital seeks out countries, the demographic & productivity data of which it considers will provide opportunities for portfolio companies to thrive over time. The strategy also heeds macroeconomic factors including evaluation of a country's balance of payments, strength of political institutions, and historical patterns such as boom-bust cycles. The strategy does not entail shorting or borrowing securities but in exceptional circumstances risks can be mitigated by applying currency hedges. The strategy is run without heed to any index or benchmark such as the MSCI Frontier Market Index or its related Exchange Traded Fund.

While the Kingsway Fund strategy, the core strategy, is primarily focussed on publicly listed securities, the strategy permits up to 25% to be invested in private assets which meet the aforementioned criteria and remit of Kingsway Capital, with each asset being allocated to a separate side pocket share class, as determined by the Fund Directors.

Should a purchase of listed securities of the same issuer exceed 20%, or a purchase of private assets exceed 10%, of the Kingsway Fund's net asset value, Kingsway Capital needs to notify its Advisory Board, comprising a select number of major investors in the relevant Kingsway Capital Fund.

Kingsway Capital also offers an “ex-tobacco” version of this strategy, run along substantially identical lines except that tobacco related stocks are excluded. Certain co-investment opportunities aligned with the core strategy may be held in a segregated portfolio of a Kingsway Capital Co-Investment Private Fund.

Frontier Consumer Internet Private Equity – this strategy comprises investments in a private equity portfolio which focuses on early-stage private consumer internet companies operating in Frontier Markets. This strategy is available through FCI, a private equity fund which closed its offering on September 30, 2016. Certain co-investment opportunities aligned with the core FCI private strategy may be held in a segregated portfolio of a Kingsway Capital Co-Investment Private Fund.

Global Consumer Franchise – this strategy seeks to provide long-term capital appreciation through a buy-and-hold approach to listed, publicly traded issuers that have global consumer staples franchises in developed markets. The strategy is managed by a dedicated team of four Investment Managers within Kingsway Capital that is separately branded “Ash Park”.

This investment strategies described above involve the risk of loss to clients and clients should be prepared to bear the loss of their entire investment.

Material Risks Related to Investment Strategies

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Kingsway Capital Fund. Potential investors should be aware that an investment in a Kingsway Capital Fund may be exposed to other risks of an exceptional nature from time to time. In addition, different risks may apply to different Kingsway Capital Funds. Details of specific risks attaching to a particular Kingsway Capital, Fund which are additional to those described in this section will be disclosed in the relevant PPM. Prospective investors should review the relevant PPM carefully and in its entirety and consult with their professional and financial advisers before making an application for investment. Prospective investors are advised that the value of their investment and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain the loss of their investment. Past performance of the AIFM or any Kingsway Capital Fund should not be relied upon as an indicator of future performance. The securities and instruments in which the Kingsway Capital Funds invest are subject to market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur. There can be no guarantee that the investment objective of a Kingsway Capital Fund will actually be achieved.

General Market Related Risks applicable to both Kingsway and Ash Park Strategies

Market Risk. Market risk is of a general nature, affecting all types of investments. The trend in the prices of transferable securities is determined mainly by the trend in the financial markets and by the economic development of the issuers, who are themselves affected both by the overall situation of the global economy and by the economic and political conditions prevailing in their country. Kingsway Capital may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

Interest Rate Risk. Interest rate risks arise from fluctuations in the interest rates of the main currencies of each security or other financial assets held in client accounts.

Exchange Rate Fluctuations; Currency Risks. The value of investments may be affected by a variation in exchange rates where investments are held that are denominated in a currency other than the relevant reference currency of the client account. Kingsway Capital may or may not seek to hedge its non-US currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available at the time when Kingsway Capital wishes to use them, or that hedging techniques employed by Kingsway Capital will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of positions held in a client account that are denominated in currencies other than the client account reference currency will fluctuate with exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the client account reference currency compared to the other currencies in which Kingsway Capital makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the client account's investments in their local markets and may result in a loss to the client. Conversely, a decrease in the value of the client account reference currency will have the opposite effect on the value of non-reference currency investments in the client account.

Liquidity Risk. Liquidity risks arise when a particular instrument is difficult to sell. Some securities or other financial assets held in client accounts may be difficult to sell within the desired timescale, during certain periods or in specific stock market segments. There is also a risk that stock market securities traded in a narrow market segment are subject to high price volatility.

Credit Risks. Bonds or debt instruments involve an issuer-related credit risk, which can be calculated using the issuer solvency rating. Bonds or debt instruments issued by entities that have a lower rating are, as a general rule, considered to be instruments that are at a higher credit risk, with a probability of the issuer defaulting, than those of issuers with a higher rating. When the issuer of bonds or debt instruments finds itself in financial or economic difficulty, the value of the bonds or debt instruments (which may fall to zero) and the payments made for these bonds or debt instruments (which may fall to zero) may be affected.

Risk of Default. In parallel to the general trends prevailing on the financial markets, the particular changes in the circumstances of each issuer may have an effect on the price of an investment. Even a careful selection of securities or other financial assets cannot exclude the risk of losses generated by the depreciation of the issuers' situation. To the extent that Kingsway Capital holds debt securities in a client account, the relevant account may be exposed to losses resulting from default. Therefore, the value of the underlying collateral, the creditworthiness of the portfolio company and the priority of any lien are each of great importance. Kingsway Capital cannot guarantee the adequacy of the protection of the client's interests, including the validity or enforceability of the applicable debt instrument and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, Kingsway Capital cannot assure that claims may not be asserted that might interfere with enforcement of the client's rights. In the event of a foreclosure, the client account may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest payable, resulting in a loss to the client. Any costs or delays involved in the effectuation of a foreclosure of the asset or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

Risks arising in investment strategies pursued by the Kingsway Team

General

Concentration Risk. Kingsway Capital's investment strategies may cause its client accounts to become significantly concentrated in any one issuer, industry, sector, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by the client. In particular, emerging and frontier markets are dominated by a few sectors, thus a sizeable allocation can result in concentrated exposures to certain sectors. This limited diversity could expose the client to losses disproportionate to general market movements if there are disproportionately greater adverse price movements in those financial instruments.

Redemption Risk. Fund structures utilising private equity strategies and side pockets and liquidating share classes, determined at the discretion of the controllers of the entity, typically do not permit redemption rights. The receipt of any proceeds due may only be realised by investors once illiquid assets, which may have been held for lengthy periods, have been sold.

Borrowings and Leverage. Subject to a client's investment guidelines, Kingsway Capital may use borrowings (of cash and/or securities) for the purpose of financing investments which may significantly increase the client's investment risk. The use of leverage exposes the client to additional risks such as but not limited to (i) greater potential losses on the investment purchase by using the leverage; (ii) greater interest costs and lower debt coverage in the case of increasing interest rates and/or (iii) premature margin calls which may force the liquidation of some client's investments (which may occur at a moment where the investments have been under pressure by the markets involving the liquidation at prices below the acquisition prices). The client may be required to immediately repay borrowings in whole or in part in various circumstances which may force Kingsway Capital to sell some/all of the assets held in the client's account if such account has insufficient cash deposits available and does not have alternative credit facilities available to make these repayments. Furthermore, it may not be possible for Kingsway Capital to obtain replacement finance on for the client. The client may incur losses in liquidating such assets if, for example, the markets within which such assets are traded are stressed or illiquid.

The Kingsway Team of Kingsway Capital may also use leverage sourced through derivative transactions to help achieve a client's investment objective. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the client's exposure to capital risk and interest costs which may cause the value of the client's account to decrease more rapidly than would otherwise be the case. The effect of the use of leverage is to increase the investment exposure, the result of which is that, in a market that moves adversely, the possible resulting loss to investors' capital would be greater than if leverage was not used.

Hedging Transactions. The Kingsway Team of Kingsway Capital may utilise financial instruments for risk management purposes in order to (i) protect against possible changes in the market value of a client's account resulting from fluctuations in the markets and changes in interest rates; (ii) protect the account's unrealised appreciation in the value of its investment portfolio; (iii) facilitate the sale of any such investments; or (iv) hedge the interest rate, credit or currency exchange rate on any of the account's investments. Kingsway Capital is not required to hedge any particular risk in connection with a particular transaction or its clients' investment portfolios generally. While Kingsway Capital may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the clients than if it had not engaged in any such hedging transaction. Moreover, it should be noted that a client's account will always be exposed to certain risks that may not be hedged.

Counterparty Risk. The participants in “over-the-counter” or “interdealer” markets are typically not subject to the credit evaluation and regulatory oversight to which members of “exchange-based” markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the client to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the client account to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the client account has concentrated transactions with a single or small group of counterparties. Kingsway Capital’s evaluation of the creditworthiness of counterparties may not prove sufficient. The lack of a complete and “foolproof” evaluation of the financial capabilities of the counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the client account.

Risks Arising from Investments in Emerging and Frontier Markets

Investments in Emerging and Frontier Markets. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility in currency exchange rates; (v) greater risk of inflation; (vi) greater controls on foreign investment and limitations on realisation of investments, repatriation of invested capital and on the ability to exchange local currencies for US dollars; (vii) increased likelihood of governmental involvement in and control over the economy; (viii) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xi) the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale of disposition proceeds.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. Kingsway Capital’s clients could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on securities held by the client accounts or gains from dispositions.

In emerging markets, there is often less government supervision and regulation of business and industry practices than in other more established markets. Any regulatory supervision that is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Kingsway Capital may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in local courts.

Investment Restrictions. Some emerging and frontier markets countries have laws and regulations that currently preclude direct foreign investment in the securities of companies incorporated therein. Additionally or alternatively, prior governmental approval for foreign investments may be required under certain circumstances in some emerging and frontier markets countries. Non-US ownership limitations also may be imposed by the charters of individual companies to prevent, among other concerns, violation of foreign investment limitations. Some attractive equity securities may not be available to Kingsway Capital because of local laws and eligibility requirements applicable to investing in certain types of securities in some emerging and frontier markets countries.

Investments in Unlisted Securities. Subject to a client's investment guidelines, Kingsway Capital may invest in unlisted securities for its clients' accounts. Because of the absence of any trading market for these investments, it may take longer (or ultimately not be possible) to liquidate them than it would to liquidate publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised on these sales could be less than those originally paid by Kingsway Capital. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Valuation of Unlisted Securities. As there may be no open or liquid market to establish an independent value for unlisted securities in which a client account may invest, Kingsway Capital's valuation procedures provide that such securities must be accounted for at fair value. There can be no assurance that Kingsway Capital will be able to sell an unlisted security or instrument for an amount equal to the fair value determined for that security or that there will be a market for such security. Unlisted securities are illiquid by nature and the sale price of such securities may be materially below the value that would have been obtained had they been held for a longer term. Also see Item 11: Valuation of Client Accounts below.

Swap Transactions. Where Kingsway Capital enters for a client account into transactions in the forward or other markets that could be characterized as swap transactions, and that may involve interest rates, credit spreads, currencies, securities interests, commodities, and other items. A swap transaction is an individually negotiated, non-standardized agreement between two parties to exchange cash flows measured by different interest rates, exchange rates, or prices, with payments calculated by reference to a principal ("notional") amount or quantity. Transactions in these markets present certain risks similar to those in the OTC forward and options markets: (i) the swap markets are generally not regulated; (ii) there are generally no limitations on daily price moves in swap transactions; (iii) speculative position limits are not applicable to swap transactions, although the counterparties may limit the size or duration of positions available as a consequence of credit considerations; (iv) participants in the swap markets are not required to make continuous markets in swap contracts; and (v) the swap markets are "principals' markets," in which performance with respect to a swap contract is the responsibility only of the counterparty with which the trader has entered into a contract (or its guarantor, if any), and not of any exchange or clearing corporation. As a result, the client account will be subject to the risk of the inability of or refusal to perform with respect to such contracts by counterparties. See Counterparty Risk below.

General Risks Arising from the Use of Derivatives. Subject to a client's investment guidelines Kingsway Capital may use exchange traded and OTC derivatives, such as options, futures, swaps, credit default swaps, property index swaps, structured products, and other such derivative or hybrid instruments as part of its client's investment policy. Losses on certain derivative transactions are potentially unlimited. Financial derivatives instruments prices can be volatile, market movements are difficult to predict, and financing sources and related interest rates are subject to rapid change. Markets may move against the financial derivatives instruments positions held, thereby causing losses

to the client. Many of these instruments are not traded on exchanges, but rather through "over-the-counter" or "interdealer" markets. As a consequence, liquidity cannot be guaranteed in these products, and it may also be difficult to achieve regular and precise third party valuations of these instruments. Many unforeseeable events, such as government policies can have profound effects on interest, and exchange rates, which in turn can have large and unexpected effects on the prices of derivative instruments.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a client.

Liquidity of Futures Contracts. 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 contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent Kingsway Capital from liquidating unfavourable positions for a client account.

Exchange Control and Repatriation Risk: It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

Dependence on Key Personnel: The performance of the strategies are largely dependent on the services of a limited number of persons at Kingsway Capital and its affiliate, KCA LLP. If the services of all or a substantial number of such persons were to become unavailable, the result of such a loss of key management personnel could be substantial losses for the Clients.

Additional Risks Related to Investments in Private Equity

Non-Control Positions. Kingsway Capital may hold non-control positions in some or all of its investments. In such circumstances, Kingsway Capital may have limited ability to protect its position in the underlying portfolio investments, or to control the timing or other aspects of a disposal, though in such circumstances it may seek to obtain special shareholder protection and/or board representation.

Reliance on Management of Portfolio Investments. The management of each portfolio investment will be conducted by its own management team. Although Kingsway Capital will monitor the performance of each portfolio investment, there can be no assurance that the existing management team, or any successor, will be able to operate the company in accordance with Kingsway Capital's plans or wishes. Moreover, though in some cases Kingsway

Capital will seek to effect the improvement of a portfolio investment's operations, there can be no guarantee that such improvements will be successful.

Long Term Investments and Illiquid Securities. Capital and profits, if any, from an investment generally will only be realised upon the partial or complete disposition of that investment. While an investment might be sold at any time, Kingsway Capital expects to hold interests for a number of years. It is unlikely that there will be public markets for the securities held by Kingsway Capital at the time of their acquisition. In addition, there can be no assurance that secondary markets will develop to the point that they provide liquidity for investments. Limited secondary market liquidity may impede Kingsway Capital's ability to value investments or to sell them at desirable prices.

Investing in Technology Companies. Investing in securities and other instruments of technology companies involves substantial risks. These risks include: the fact that certain companies in the client portfolio may have limited operating histories; rapidly changing technologies and products which may quickly become obsolete; cyclical patterns in information technology spending which may result in inventory write-offs, cancellation of orders and operating losses; scarcity of management, engineering and marketing personnel with appropriate technological training; the possibility of lawsuits related to technological patents; changing investors' sentiments and preferences with regard to technology sector investments (which are generally perceived as risky) with their resultant effect on the price of underlying securities.

Fraud. Of paramount concern in investing in private securities, including debt instruments of portfolio companies, is the possibility of material misrepresentation or omission on the part of the portfolio company or its representatives. Such inaccuracy or incompleteness may adversely affect the valuation of the portfolio company or may adversely affect the ability of Kingsway Capital to perfect or effectuate any lien. Kingsway Capital may rely upon the accuracy and completeness of representations made by the portfolio company and/or its representatives to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness.

Risks Associated with Types of Securities that are Primarily Recommended – See Item 8; Material Risks Related to Investment Strategies above.

ITEM 9: DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's (or investor's) or a prospective client's (or prospective investor's) evaluation of Kingsway Capital advisory business or the integrity of Kingsway Capital's management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Registered Broker-Dealers

None of Kingsway Capital or its management persons are registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Kingsway Capital and its management persons are not affiliated with any broker-dealer or bank.

B. Registered Futures Commissions Merchants, Commodity Pool Operators and Commodity Trading Advisors

None of Kingsway Capital or any of its management persons are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

C. Material Relationships or Arrangements with Industry Participants

Kingsway Capital Affiliated Entities

Kingsway Capital Advisors LLP - As set out under Item 4, KCA LLP acts as an “Appointed Representative” to and is a “Participating Affiliate” of Kingsway Capital. The services that KCA LLP provides to Kingsway Capital are described under Item 4. Additionally, and pursuant to an operational services agreement, KCA LLP and Manuel Stotz provide business support services to a UK resident third party investment advisor and KCA LLP receives fees for these services.

Kingsway Capital Management Limited - Kingsway Capital Management Limited (“KCML”) is an exempted company incorporated with limited liability under the laws of the Cayman Islands on April 30, 2015. Kingsway Capital and KCML are under common control. KCML serves as the general partner of FCI, the private equity fund to which Kingsway Capital acts as investment manager. KCML does not provide investment advisory services to FCI, nor to any other clients of Kingsway Capital.

Ash Park Capital LLP (previously Kingsway Capital LLP), an FCA regulated firm authorised to provide investment management services, has a profit sharing arrangement with Kingsway Capital and receives operational support from KCA LLP.

Carry Vehicles

The Carry Vehicles are established to receive performance based allocations from certain Kingsway Capital Private Funds. The Carry Vehicles are typically controlled or owned by Manuel Stotz. The limited partners or shareholders of the Carry Vehicles may include Kingsway Capital personnel and strategic investors in the Kingsway Capital Funds.

- ***Kingsway Capital Limited, Kingsway Capital LP and Kingsway Capital (II) LP*** – Kingsway Capital Limited (“KCL”) is an exempted company incorporated with limited liability under the laws of the Cayman Islands on April 13, 2015. Kingsway Capital and KCL are under common control. KCL serves as the general partner of Kingsway Capital LP and Kingsway Capital (II) LP, which are Carry Vehicles for the Kingsway Fund and FCI respectively.
- Further Cayman registered carry vehicles are to be established to operate in parallel to the segregated portfolios of Kingsway Capital Co-Investment Private Funds, established as Cayman Islands Segregated Portfolio Companies (“SPC”). The FCI Co-Investment CY Limited, controlled by Kingsway Capital, is the

Carry Vehicle for the Kingsway FCI Co-Investment SPC. The [X], controlled by Kingsway Capital, is the Carry Vehicle for the Kingsway FCI Co-Investment SPC.

Any performance allocation made to the Carry Vehicles and its apportionment to the relevant limited partners or shareholders of the Carry Vehicles is subject to Kingsway Capital's policies and procedures that govern the remuneration of its staff and that of its Participating Affiliate (the "Remuneration Policy"). The Remuneration Policy seeks to ensure that staff remuneration arrangements do not inadvertently create conflicts of interest through inappropriately incentivising staff to behave in a manner that disadvantages the interests of a client in favour of Kingsway Capital or of other clients.

Investments by Kingsway Capital Principals and Staff

Manuel Stotz and other staff of Kingsway Capital, (i) individually (ii) on behalf of trusts, partnerships, companies and other entities formed for their benefit and that of members of their family, and/or (iii) through or on behalf of trusts, partnerships, foundations, companies and other entities which may from time to time include other philanthropic, charitable, civic, social or other organizations (collectively, the "Private Kingsway Staff Entities") have in the past, and expect to continue to, make, hold and dispose of investments outside of, and separate and apart from, their interests in Kingsway Capital, its affiliates the Kingsway Capital Private Funds and investment vehicles established by clients receiving investment advice from Kingsway Capital. These investments by the Private Kingsway Staff Entities may include, without limitation, control and non-control equity and other investments in public and private companies. They may also include investments or interests in other investment adviser businesses ("Third Party Advisers"), including Third Party Advisers that receive compliance and other operational support from Kingsway Capital's Participating Affiliate.

These investments by the Private Kingsway Staff Entities are investments that, at the time of investment, are opportunities that are determined by Kingsway Capital not to conflict with the interests of its clients, including where Kingsway Capital determines that such investment may not be appropriate for investment by any client. In making such determination, Kingsway Capital considers a number of factors, including, without limitation, the investment strategies, guidelines and restrictions applicable to such clients, and any regulatory or other legal limitation applicable on the clients' ability to participate in such investment opportunity.

Kingsway Capital has adopted policies and procedures to prevent and/or mitigate the actual and potential conflicts of interests that arise from investments made by the Private Kingsway Staff Entities, which are set out in its Code of Ethics and its Conflicts of Interest Policy (see [Item 11](#)).

Co-Investment Opportunities

Co-investment into investment opportunities by the principals, affiliated persons, certain Kingsway Capital Private Funds, including Kingsway Capital Co-Investment Private Funds, and/or significant investors in Kingsway Capital Private Funds may arise, largely regarding private equity opportunities. Typically this occurs where there is an opportunity to participate in larger transactions (otherwise too large for a Kingsway Capital Private Fund or that might breach its investment limits). Kingsway Capital is not obligated to arrange co-investment opportunities for all investors in a Kingsway Capital Private Fund or all clients, and investors and clients generally will not be entitled or have any right to participate in such an opportunity solely by reason of being a client or an investor in a Kingsway Capital Fund. The practicalities of completing such transactions mean that only those investors with the ability to

commit quickly and in a reasonable size are likely to be offered specific co-investment opportunities, and this may be at the expense of other investors who may be equally capable of investing. Where co-investors are charged management fees on such opportunities by Kingsway Capital, it creates a potential conflict given the incentive to source co-investment deals as a source of fee revenue.

As far as is practicable and commercially viable, Kingsway Capital will make investors aware that co-investment opportunities will be offered to suitable investors or advisory clients at its discretion.

Kingsway Capital Staff Positions with Portfolio Companies

Certain staff of Kingsway Capital and of KCA LLP, its Participating Affiliate, in connection with the Kingsway Capital frontier market strategy may serve as officers, advisors, directors or in comparable management functions for portfolio companies held in the Kingsway Capital Funds or provide other services to portfolio companies. No additional fees may be paid in relation Kingsway Capital, its staff and/or affiliated persons, as a result of such position with a portfolio company. Nevertheless, this dual role creates conflicts of interest as the individual concerned needs to consider the interests of both parties independently and respect any confidentiality issues. The interests of both parties may not be aligned where, for example, the investee company seeks additional funding due to financial distress. There is also a potential for conflicts of interests where Kingsway Capital decides to retain a board seat after the portfolio company has completed an IPO, for as long as the Kingsway Capital Private Fund retains a significant stake. This will immediately create conflicts relating to non-public information available to the individual representing Kingsway Capital on the portfolio company board.

Where Kingsway Capital or any of its affiliates has a representative on the board of an issuer that is a public company, it may from time to time be given access to material non-public information relating to that issuer. As a result, Kingsway Capital's policy is to place the issuer on its "restricted list" which means that Kingsway Capital is prohibited from recommending or engaging in transactions with respect to the debt or securities of such an issuer until such time as the issuer is removed from the "restricted list". Trading prohibitions in place may have an adverse effect on Kingsway Capital's clients.

Engagement of Third-Party Consultants ("Operating Partners")

Kingsway Capital, on behalf of Kingsway business may, in its sole discretion, engage third-party consultants to, among other things, assist the Kingsway Capital Private Funds and their portfolio companies in sourcing investment and transaction opportunities, facilitate and structure transactions, perform due diligence, represent Kingsway Capital on the board of portfolio companies of the Kingsway Capital Private Funds and provide such other services that may from time to time be requested by Kingsway Capital and the Kingsway Capital Private Funds (or their portfolio companies). Costs and expenses associated with such consultants will generally be borne by the Kingsway Capital Private Funds and/or the portfolio companies for whom they were retained or engaged.

Such consultants may be subject to conflicts of interests resulting from a number of situations, including, but not limited to, conflicts resulting from affiliations with or engagements by entities unaffiliated with Kingsway Capital and/or the Kingsway Capital Private Funds. Kingsway Capital is not always aware of conflicts arising in connection with such consultants and advisors. Whenever Kingsway Capital is aware of such conflicts, however, it will use reasonable efforts to ensure that such conflicts are minimized in an appropriate manner to the extent practicable in its good faith discretion.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Kingsway Capital does not recommend or select other investment advisers on behalf of its clients, neither does Kingsway Capital have authority to make investment decisions for or undertake trading on behalf of any other investment adviser.

KCA LLP, and related persons, may enter into an arrangements with third party investment advisers for certain services which primarily include operational and risk management services and, as relevant, effecting introductions to Kingsway Capital's existing brokerage network and to prospective investors. Fees payable to KCA LLP pursuant to such agreements typically include a share of the third party investment adviser's revenue. Any conflicts arising are managed by the Chief Compliance Officer to ensure that Kingsway Capital, at all times, acts in the best interest of its clients.

<p>ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING</p>
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A. Code of Ethics

Kingsway Capital has adopted a Code of Ethics that sets out the policies and procedures applicable to its personnel (including that of its Participating Affiliate) in respect of personal securities transactions, gifts & business entertainment, outside affiliations, and political and governmental activities. The Code obligates Kingsway Capital and its personnel to put the interests of Kingsway Capital's clients before their own interests and to act honestly and in good faith in all respects in their dealings with clients. All personnel are also required to comply with applicable federal securities laws.

The Code of Ethics requires all personnel to seek prior approval for and to report their personal securities transactions and holdings to Kingsway Capital's Chief Compliance Officer. This includes investment in any Kingsway Capital Fund. The Chief Compliance Officer will consider potential conflicts with clients' interests as part of the approval process and the personal securities transaction will not be approved where there is a conflict.

In addition, in order to reduce the opportunity for conflicts of interests arising in relation to Kingsway Capital's investment activities for its clients, the Code of Ethics strictly prohibits personal securities transactions in the following:

- (i) securities of listed, publicly traded issuers located in those countries included in the MSCI Frontier Markets Index;
- (ii) securities of listed, publicly traded issuers located in any country in which the Kingsway Funds¹ have invested;
- (iii) securities of issuers held in the portfolios of any of the Kingsway Capital Funds (including SPVs of the Funds) managed by Kingsway Capital, except in private investments where the relevant Fund is fully invested (where prior approval is required);

¹ These are Kingsway Fund and Kingsway FCF Overflow Fund

- (iv) securities of issuers that Kingsway Capital is considering as a potential investment for its clients; this is expected to generally imply an intended investment by the Firm;
- (v) any security on the Firm's Restricted List;
- (vi) when an investment is being considered prior to an investment recommendation being made to an advisory client; and/or
- (vii) in the next 2 calendar days following an investment recommendation being made to an advisory client in a listed, publicly traded security, or in the next 7 calendar days in the case of a private investment, unless the private investment is a co-investment with the advisory client on the same commercial terms.

Personnel of Kingsway Capital, or its affiliates, and their immediate family members or accounts under their control, may co-invest in private equity opportunities alongside FCI Funds, subject to advance written approval from the Chief Compliance Officer. At all times the interests of FCI Funds are considered paramount and are to be placed before those of Kingsway Capital personnel and related parties. Subsequent sales and purchases by Kingsway Capital personnel, and related parties, where these are not in the best interests of the FCI Funds, will be restricted.

Kingsway Capital, in the course of its investment management and other activities, may come into possession of confidential or material non-public information about issuers, including issuers in which Kingsway Capital has invested or seeks to invest on behalf of clients. Kingsway Capital is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. Kingsway Capital maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that Kingsway Capital is meeting its obligations to clients and remains in compliance with applicable law.

Kingsway Capital's personnel are required to certify to their compliance with the Code of Ethics on an annual basis. Clients or investors in the Kingsway Capital Private Funds or prospective clients or investors may obtain a copy of the Code of Ethics by contacting Kingsway Capital's Chief Operating Officer at cm@kingswaycap.com or by telephone on (011) 44 20 7659 4130.

Subject to applicable regulatory restrictions, certain personnel of Kingsway Capital may be permitted to invest directly or indirectly in the Kingsway Capital Private Funds. Such investors may be in possession of information relating to the Kingsway Capital Private Funds that is 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 and it is possible that such personnel may withdraw such investments on the basis of information that is not available to the other investors and prospective investors.

B. Client Transactions in Securities where the Adviser or a Related Person has Material Financial Interest

Cross Transactions

Kingsway Capital may, on occasion, cause one or more of its clients to buy securities from, or sell securities to, other clients of Kingsway Capital at current market prices, including accounts in which Kingsway Capital, its principals or staff are investors or in which such persons may have a financial interest due to the payment of a performance allocation to Kingsway Capital (or an affiliate) by such client.

Kingsway Capital may effect cross transactions between discretionary client accounts, except as noted below. Cross transactions enable Kingsway Capital to effect a trade between two clients for the same security at the same price, thereby possibly avoiding an unfavourable price movement that may be created through entrance into the market and saving commission or other transaction costs for both accounts. Cross transactions may include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. Kingsway Capital may have a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions.

Cross transactions between clients are not permitted if they would constitute “principal transactions” or transactions for which Kingsway Capital or its affiliates are compensated as a broker unless client consent has been obtained based upon written disclosure to the client of the capacity in which Kingsway Capital or its affiliates will act, and otherwise in accordance with the Advisers Act and related rules.

In addition, cross transactions are not permitted for certain accounts where legal restrictions apply including, but not limited to, benefit plans that are subject to the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Cross Holdings

Kingsway Capital Private Funds may from time to time, and in accordance with their investment objectives, invest in specific share classes of the Kingsway Capital Co-Investment Private Funds for the purposes of making all or some if their investments in an underlying target. No management or carried interest fee are payable in respect of such share classes.

Valuation of Client Accounts

Pursuant to the AIFMD, Kingsway Capital has regulatory responsibility for the valuation of the Kingsway Capital Private Funds. This creates the potential for conflicts of interest as Kingsway Capital is also remunerated by reference to the net asset value of its client’s accounts. This is particularly relevant for Kingsway strategies involving illiquid assets and securities where Kingsway Capital may exercise a significant influence over the valuation of such securities in its favour, which may increase fees and/or assets under management.

Clients’ assets and liabilities are valued in accordance with Kingsway Capital’s valuation policies for each of Kingsway and Ash Park strategies. In the case of the Kingsway Capital Private funds, the valuation policy is adopted by the governing body of each relevant Kingsway Capital Private Fund and implemented by an independent administrator with responsibility for the calculation of the relevant Kingsway Capital Private Fund’s net asset value. In addition, the administrator has been appointed as an independent, qualified “external valuer” to the Kingsway Fund.

In addition, Kingsway Capital has established a valuation committee in relation to each of its investment strategies (the “Valuation Committees”). These Valuation Committees are responsible for determining appropriate valuations for illiquid or hard to value investments held by Kingsway Capital’s client accounts. There is no guarantee that the value determined with respect to a particular asset or liability by Kingsway Capital will represent the value that will be realized by the client on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment.

C. Investing in Securities Recommended to Clients

The principals, employees, of Kingsway Capital, and their related persons, are permitted to invest in Kingsway Capital Private Funds on the same terms as external clients and investors, except that management and carried interest fees may be waived and longer drawdown periods may be in place in respect of capital commitments, as disclosed in the relevant PPM. The Code of Ethics contains policies and procedures designed to prevent improper practices with respect to such investment, including the need for prior compliance approval.

Kingsway Capital's principals, employees and their related persons may co-invest in investments recommended to advisory clients, subject to approval by the Chief Compliance Officer to ensure that client interests are properly considered and conflicts managed. Following a recommendation advisory clients are given a reasonable opportunity to react to an investment opportunity provided by Kingsway Capital prior to permitted investment by Kingsway Capital related personnel.

D. Conflicts of Interest Created by Contemporaneous Trading

Kingsway Capital manages investments on behalf of a number of clients. Certain discretionary managed clients have investment programs that are similar to or overlap with each other, and, therefore, such clients may participate with each other in investments. See Item 12; B. Aggregated Orders for Various Client Accounts for Kingsway Capital's policies and procedures with respect to such situations.

ITEM 12: BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Unless otherwise provided in an investment management agreement with a particular client, Kingsway Capital possesses the same discretion to determine the broker or dealer to be used for each securities transaction for each client account.

In selecting brokers or dealers to execute transactions (or series of transactions), Kingsway Capital considers a number of factors to determine the reasonableness of the broker-dealer's compensation. Such factors include the size and type of the order, the price, the costs, the speed, the likelihood that the order will be executed and that the transaction is settled, and any other considerations which, in Kingsway Capital's opinion, are relevant to a particular order. However, Kingsway Capital need not solicit competitive bids from broker-dealers and does not have an obligation to seek the lowest available commission cost.

For listed securities in frontier markets a single reputable, regulated broker in Luxembourg is utilised to execute all cash trades as an agent on behalf of the Kingsway Fund. This broker conducts due diligence at the local frontier market broker level to minimise counterparty risk.

1. Research and Other Soft Dollar Benefits and Inducements

Kingsway Capital may receive benefits from certain broker-dealers in connection with client securities transactions. This is known as a “soft dollar” relationship. Kingsway Capital limits the use of “soft dollars” to obtain brokerage services in compliance with the FCA rules and as permitted under the safe harbor of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)").

Pursuant to the FCA rules, where Kingsway Capital receives broker-dealer research, this will be paid for through a research payment account (“RPA”) in Kingsway Capital’s name which will be funded for the client accounts through specific charges agreed with the clients and paid directly by the clients to the RPA. Kingsway Capital will ensure that research befitting more than one client is fairly allocated across all relevant client accounts based on the accounts’ assets under management and will notify details of the research budget and expenditure at least once per annum or upon request.

Kingsway Capital will regularly assess the quality of the research which it has purchased and will periodically review its RPA research budget. Any funds collected in the RPA in excess of the amount spent on research will be held over and offset against the budget for the following research period.

Minor Non-Monetary Benefits

Pursuant to the FCA rules, Kingsway Capital may not accept inducements (fees, commissions, monetary or non-monetary benefits), where these are paid or provided by any third party or a person acting on behalf of a third party, in relation to Kingsway Capital’s provision of services to its clients, other than minor non-monetary benefits that are: (i) capable of enhancing the quality of service provided to a client; and (ii) of a scale and nature such that they could not be judged to impair compliance with Kingsway Capital’s duty to act in the best interests of the client.

2. Brokerage for Client Referrals

Kingsway Capital does not select or recommend broker-dealers based on whether it receives client referrals from such broker-dealer.

3. Directed Brokerage

Kingsway Capital does not recommend, request or require that a client direct Kingsway Capital to execute transactions through a specified broker-dealer. In the unlikely event that Kingsway Capital accepts specific instructions from a client as to how the client wishes an order to be executed, Kingsway Capital will warn the client that Kingsway Capital’s obligation to provide best execution is limited to that part of the order unaffected by the instruction given.

B. Aggregated Orders for Various Client Accounts

Kingsway Capital may manage client accounts which pursue similar or overlapping investment strategies. In placing trades (buys and sells) in the market or entering into private equity commitments, Kingsway Capital may, wherever possible, aggregate trades, or commitments, in order to place larger orders or commitments with a view to obtaining improved execution prices. Kingsway Capital aggregates client orders where it reasonably believes that this is in clients’ overall best interests or to provide equitable treatment. Nevertheless, there may be

circumstances when aggregation works to the disadvantage of a client. Where it is intended to aggregate orders for clients, this will be disclosed in the relevant client investment management agreements or offering memoranda.

Where it aggregates orders (or commitments) across client accounts, Kingsway Capital will pre-allocate the securities across the aggregated client accounts before the transaction is effected, specifying the participating client accounts and method of allocation among accounts. After the trade is executed, securities shall be promptly allocated to client accounts in accordance with the pre-allocation. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the volume-weighted average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, Kingsway Capital's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to clients. The rectification must be notified promptly, in writing and detailing reasons, to Kingsway Capital's Chief Compliance Officer.

Allocations will be made among client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis for client accounts, except when Kingsway Capital determines in its discretion that a pro rata allocation is not appropriate, which may include a client's investment strategy, specific investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and/or a client's status as a "restricted person" under applicable regulations.

C. Trade Errors

Kingsway Capital maintains policies in respect of trading errors which require that, to the extent that trading errors occur, they are corrected as soon as practicable. Trade errors may occur as a result of mistakes made on the part of an executing broker, or mistakes on the part of Kingsway Capital personnel, including, but not limited to, portfolio managers, traders and/or operations staff. Trade errors may include, for example, keystroke errors that occur when entering transactions into electronic trading systems, failures of oral or other communications between and among Kingsway Capital investment staff, trading staff and operations staff, or between Kingsway Capital personnel and the third parties, such as executing brokers, with whom Kingsway Capital conducts trading activities.

In accordance with Kingsway Capital's trade error policies and procedures, all trade errors, if any, are promptly and appropriately reviewed, evaluated and resolved by the Chief Compliance Officer, and any material losses resulting therefrom are allocated properly, taking into account ERISA requirements, as relevant, between Kingsway Capital, the client or clients, and where applicable, third parties. Kingsway Capital is responsible for its own errors and not the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by Kingsway Capital. Broker-dealers are not permitted to assume responsibility for trading error losses caused by Kingsway Capital. Trade errors resulting in a gain will be allocated between the applicable clients. Gains and losses from multiple trade errors, if any, generally are not netted. Rather, each trade error generally is separately resolved in accordance with the policy and procedures described herein.

D. Allocation Errors

Kingsway Capital will seek to confirm that the proper allocations are made across the clients for all investment opportunities. However, should an error be made with respect to the allocation of a particular investment

opportunity, Kingsway Capital will seek to correct such error, where possible, to put each client involved in such allocation error in the same place as it would be if such error had not occurred.

ITEM 13: REVIEW OF ACCOUNTS

A. Frequency and Nature of Review

Kingsway Capital performs various daily, monthly and other periodic reviews of the clients' portfolios.

Client portfolios (with the exception of FCI Funds) are monitored daily by the relevant Investment Managers for weightings of individual positions, performance and adherence to investment policies. Other client account reviews include trade reviews, account liquidity monitoring, portfolio valuation, price validations and account concentration monitoring by the various personnel in Operations, Trading and Compliance. FCI Funds, both private equity funds, are monitored at least half-yearly.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

A review of a client account may be triggered by any suspicious or unusual activity or special circumstances.

C. Content and Frequency of Regular Account Reports

Investors in the Kingsway Capital Private Funds, other than FCI funds, will receive monthly performance information, a monthly account statement and a quarterly written investment commentary. Such reports may be delivered electronically to the client in accordance with the client's agreement with Kingsway Capital. Investors in FCI Funds receive six monthly reports showing commitment, holdings and the most recent valuation.

In addition each investor in a Kingsway Capital Private Fund receives annual audited financial statements within 120 days after the financial year end and, in respect of certain Kingsway Capital Private Funds, tax information necessary for the completion of such investor's return.

Each segregated, managed account client will receive reports in accordance with their individual investment management agreement and Periodic Statements as defined in FCA Rules, unless the required data is provided to the client by another party.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Received from Non-Clients for Providing Services to Clients

As discussed in Item 12, Kingsway Capital may receive certain minor non-monetary benefits as defined in FCA Rules from broker-dealers. Please see Item 12 for further information on Kingsway Capital's practices in respect of soft-dollars and inducements.

Kingsway Capital does not receive any economic benefit from any person who is not a client for providing investment advice or other advisory services to Kingsway Capital's clients, other than from broker-dealers in the form of soft dollars as described above.

B. Compensation to Non-Supervised Persons for Client Referrals

Kingsway Capital does not compensate third parties for client referrals.

ITEM 15: CUSTODY

Kingsway Capital will not have physical custody of any client assets. Each of Kingsway Capital's clients has appointed its own custodian and these custodians are solely responsible for the custody and safekeeping of their client's assets.

The Custody Rule, Rule 206(4)-2 promulgated under the Advisers Act (the "Custody Rule"), and certain related rules and regulations under the Advisers Act, are not applicable to Kingsway Capital Private Funds organised and incorporated outside the US.

Kingsway Capital has considered the extent to which it is deemed to have custody of the Kingsway Capital Private Funds incorporated in the US, and determined that as it has no authority to obtain possession of such client assets or withdraw funds or securities from a client's account, for any purpose other than authorised trading pursuant to the discretionary investment advisory agreement in place, it does not have deemed custody.

Notwithstanding this assessment, Kingsway Capital Private Funds incorporated in the US intend to be (i) audited at least annually by an independent public accountant and (ii) distribute their audited financial statements prepared in accordance with US generally accepted accounting principles ("US GAAP") to their investors, all limited partners, members or other beneficial owners within 120 days of the private fund's fiscal year-end.

In addition, upon the final liquidation of a Kingsway Capital Private Fund, incorporated in the US, it is intended that a final audit will be performed and audited financial statements prepared in accordance with GAAP will be distributed to all investors promptly after completion of the audit.

ITEM 16: INVESTMENT DISCRETION

Kingsway Capital provides investment advisory services on both a discretionary and advisory basis to sophisticated clients.

When operating pursuant to investment discretion, Kingsway Capital has full discretionary authority with respect to investment decisions, and its advice with respect to its clients is made in accordance with the investment objectives and guidelines as set forth in such client's respective investment management agreement or equivalent document.

ITEM 17: VOTING CLIENT SECURITIES

Kingsway Capital ordinarily expects to be delegated authority to vote client securities for its clients' accounts.

Kingsway Capital has adopted Proxy Voting Policies and Procedures (the "Procedures") that are designed to ensure that it votes proxies with respect to client securities in the best interests of its clients. The Procedures also require that Kingsway Capital identify any conflicts of interest between Kingsway Capital and its clients. If a material conflict exists, Kingsway Capital will determine whether voting in accordance with the voting guidelines and factors described in the Procedures is in the best interests of the client or take some other appropriate action.

In the absence of specific voting guidelines mandated by a particular client, Kingsway Capital will endeavour to vote proxies in the best interests of each client. This may include a decision neither to support nor oppose a recommendation by management of such companies and instead to affirmatively elect not to vote proxies; however, Kingsway Capital will not abstain from voting or affirmatively decide not to vote a proxy if the client is a plan asset fund subject to the requirements of ERISA. The proxy shall be voted on a case-by-case basis, taking into account all relevant facts and circumstances at the time of the vote.

Clients may obtain a copy of Kingsway Capital's Procedures and information about how it voted a client's proxies by contacting Kingsway Capital's Chief Operating Officer at cm@kingswaycap.com or by telephone on (011) 44 20 7659 4130.

ITEM 18: FINANCIAL INFORMATION

This Item is not applicable.