

## **Stamina Capital Management LP**

**370 Lexington Avenue, Suite 1702  
New York, NY 10017**

**July 2019**

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

Registration as an investment adviser does not imply that Stamina or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

**Item 2: Material Changes**

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This Brochure is Stamina's initial Form ADV Part 2A, which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes.

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#### Item 4: Advisory Business

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Stamina Capital Management LP (hereinafter “**Stamina**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Delaware limited partnership with a principal place of business in New York, New York. Christopher Weldon is the Principal Owner and Portfolio Manager of the Firm. The Firm takes long and short positions in a portfolio that consists primarily of a broad range of publicly traded equities in developed markets and opportunistically in credit. The Firm is currently an Exempt Reporting Adviser with the SEC and is applying to switch to become a Registered Investment Adviser.

Stamina provides discretionary investment advice to the following pooled investment vehicles:

- Stamina Master Fund LP (the “**Master Fund**”), a Cayman Island exempted limited partnership,
- Stamina Fund LTD. the (“**Offshore Fund**”), an exempted company incorporated and existing under the laws of the Cayman Islands,
- Stamina Partners L.P., a Delaware registered limited partnership (“**Onshore Fund**”), and
- Stamina Capital GP LLC, a limited liability company organized under the laws of the state of Delaware, (the “**General Partner**”).

The Master Fund, the Onshore Fund and the Offshore Fund are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”.

Christopher Weldon is the managing member of the Investment Manager (the “**Managing Member**”).

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933 (the “**Securities Act**”), as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor.

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

*This Brochure does not constitute an offer to sell or a solicitation of an offer to buy any securities. The Funds’ securities are offered and sold on a private placement basis under exemptions promulgated under the “**Securities Act**” of 1933 and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be “accredited investors” as defined in Securities Act and “qualified purchasers” as defined in the Investment Company Act of 1940. Persons reviewing this Brochure should not construe this as an offer to sell or a solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.*

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective “**Offering Documents**.”

We do not currently participate in any Wrap Fee Programs.

As of May 31, 2019, the Firm had regulatory assets under management of \$145,426,765, all managed on a discretionary basis.

## **Item 5: Fees and Compensation**

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The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

### ***Management Fee***

Stamina is paid an investment management fee ("**Management Fee**") ranging from 0.75% - 1.50% per annum of the net asset value of the applicable Fund and based on the type of share class. The Management Fee is normally charged on the first day of each quarter and is paid in advance based on the applicable Fund's net asset value on the first day of such quarter.

The Firm, in its sole discretion, may change the level at which it receives the Management Fee. The Management Fee will be adjusted for contributions and withdrawals made during the quarter.

### ***Performance-Based Fees***

Please see Item 6 below for a summary of such fees.

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

All other expenses are paid by the Master Fund and allocated to the Fund or in unusual circumstances by the Fund and shall include, but are not limited to: the Management Fee; Fund legal, risk management expenses (including software licensing and consultants' fees), administrator (including, but not limited to, middle and back office services and software necessary for trade capture and portfolio management), audit and tax preparation (including third-party tax preparation) and accounting expenses (including third party accounting services and accounting software); Organizational Expenses (as defined below); execution and order management system fees and expenses; investment expenses such as commissions, research fees and expenses (including Bloomberg and similar subscriptions and data services and research-related travel (including meals and lodging)); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs (including D&O and E&O insurance for the Investment Manager, the General Partner and members of the Master Fund governance committee (if any)); independent Master Fund governance committee members' (if any) fees and expenses; expenses of Fund-related regulatory compliance (including compliance with AIFMD), Fund-related filings and reporting (including but not limited to Section 13, Section 16 and Form PF filings); Directors' fees and expenses; pricing service fees; portfolio valuation expenses (including data feeds and third party valuation agents); and any other expenses related to the purchase, sale or transmittal of Fund assets. The Fund also bears its pro rata share of the Master Fund's expenses. The Investment Manager has agreed to cap the "Operating Costs" of the Fund for each month in an amount equal to 0.042% of the Fund's pro rata share of the value of the Master Fund as of the last day of such month, with the excess, if any, to be reimbursed by the Investment Manager or an affiliate (either directly and/or through a reduction of the Management Fee for such month). For this purpose, the "Operating Costs" of the Fund means the following ordinarily recurring expenses: ongoing legal, accounting, compliance, audit, administration fees and expenses, and research expenses, including for the avoidance of doubt, accruals for such expenses. The Management Fee is not included when calculating Operating Costs and the cap on Operating Costs is not intended to apply to extraordinary and/or non-recurring expenses.

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

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### ***Incentive Allocation***

At the end of each fiscal year, the General Partner, an affiliate of Stamina and the general partner of the Master Fund and the U.S. Fund will receive an annual incentive allocation (the “Incentive Allocation”), and in each case subject to a loss carryforward provision. When calculating the Incentive Allocation at the Fund level, the Management Fee and all items of loss and expense incurred at the Fund level will be taken into account.

The General Partner may waive or modify the Incentive Allocation for Shareholders that are members, principals, employees or affiliates of the Investment Manager or the General Partner, relatives of such persons, and for certain large or strategic investors. In such circumstances, the Fund may, for administrative convenience, issue a separate class or sub-class of Common Shares to any such person.

In the event that the investment advisory relationship is terminated or redemptions are made prior to the last day of the fiscal year, the Incentive Allocation will be computed and allocated as though the termination date or redemption date, as the case may be, were the last day of the fiscal year. The fiscal year of the Fund will end on December 31 of each year.

## **Item 7: Types of Clients**

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Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, funds of funds, pension plans, foundations, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

Generally, the minimum initial investment in the Funds varies by sub-class share type, and ranges from \$1 million to \$10 million.

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

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The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued, and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client’s investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

### ***Investment Objective***

The investment objective of the Fund is to seek to achieve superior capital appreciation by taking long and short positions in a portfolio that consists primarily of a broad range of publicly traded equities in developed markets and opportunistically in credit.

The Investment Manager seeks to achieve the Fund's investment objective through a fundamental, research-based approach to security selection. The investment process seeks to produce absolute returns on both the long and short side of the portfolio.

The Investment Manager expects to manage a concentrated portfolio built through individual security selection based on proprietary investment research. The Investment Manager's focus is on identifying a select number of significantly mispriced assets where it believes it has a variant perception. The Investment Manager generates the variant perception through primary research coupled with its proprietary screening process. There can be no assurance that the Master Fund will realize its investment objective.

### ***Risk Management***

The Fund's portfolio will typically exhibit a relatively high level of stock selection risk, therefore the Investment Manager's primary focus is on position-level risk management. The Investment Manager will also assess sector and broader market risk. The Investment Manager will seek to minimize the Fund's portfolio risk through various techniques.

The following risks are not intended to be a complete list or explanation of the risks involved in an investment in the Funds or strategies advised by the Firm.

### ***Risk of Loss Factors***

#### Nature of Investments

The Investment Manager has broad discretion in making investments for the Partnership. Investments will generally consist of equities, equity-related securities, options, debt securities, currencies, fixed income instruments, commodity instruments and derivatives and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of its investments. In addition, the value of the Partnership's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Fund's investment objective will be achieved.

#### Equity-Related Instruments in General

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

#### Debt Securities

The Fund may invest in unrated or low-grade debt securities which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt



securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

#### High Yield Securities

The Fund may invest in “high yield” bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominately speculative with respect to the issuer’s capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

#### Distressed Investments

The Fund may invest in debt and equity securities, accounts and notes payable, loans, private claims and other financial instruments and obligations of troubled companies which may result in significant returns to the Fund, but which involve a substantial degree of risk. The Fund may lose its entire investment in a troubled company, may be required to accept cash or securities with a value less than the Fund’s investment and may be prohibited from exercising certain rights with respect to such investment. Troubled company investments may not show any returns for a considerable period of time. Funding a plan of reorganization involves additional risks, including risks associated with equity ownership in the reorganized entity. Troubled company investments may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the Bankruptcy Court’s discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in securities and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation.

The Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved will be unsuccessful, take considerable time or result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Fund of the security, or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Due to the substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Partnership may invest, there is a potential risk of loss by the Fund of its entire investment in such companies.

#### Interest Rate Risk

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

#### Short Sales

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

#### Options

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Additionally, the premium paid for an option is based, in part, on the time to expiration, and with the passage of time, the premium associated with an option declines, assuming all other factors being equal. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

#### Use of Leverage

The Fund may utilize leverage. This results in the Fund controlling substantially more assets than the Fund has equity. Leverage increases the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than the Fund's cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Investment Manager may find it difficult or impossible to obtain leverage for the Fund. In such event, the Fund could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Investment Manager being forced to unwind the Fund's positions quickly and at prices below what the Investment Manager deems to be fair value for such positions.

#### Hedging Transactions

The Fund may utilize a variety of financial instruments such as derivatives, options, swaps, caps and floors, forward contracts for both risk management and general investment and

speculation purposes. With respect to the Fund's risk management and hedging transactions, there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Fund than if it did not engage in any such hedging transactions. In addition, the Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

#### Portfolio Turnover

The investment strategy of the Fund may require the Investment Manager to actively trade the Fund's portfolio, and as a result, turnover and brokerage commission expenses of the Fund may significantly exceed those of other investment entities of comparable size.

#### Non-Diversification

While the Fund's portfolio generally will contain a number of both long and short positions, the Fund will be invested primarily in a relatively concentrated portfolio of equity securities. The Investment Manager anticipates that the Fund will primarily invest in the debt and equity securities of issuers located in the United States and other fully developed economies (as judged by the Investment Manager). While the Investment Manager intends to avoid excessive concentration of net exposure in individual industries or geographies on behalf of the Fund, the Fund's portfolio could become relatively concentrated in any one issuer, market capitalization, industry, type of security and geographic area, and such concentration may increase the losses suffered by the Partnership as the investment portfolio of the Fund may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wider diversification among issuers, market capitalizations, industries, types of securities and geographic areas.

#### Non-U.S. Securities

The Fund may invest outside of the United States. Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies and utilization of options and swaps on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

#### Emerging Markets

Investing in emerging market debt or equity involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (a) the risk of nationalization or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty including war; (c) dependence on exports and the corresponding importance of international trade; (d) price fluctuations, less liquidity and smaller capitalization of securities markets; (e) currency

exchange rate fluctuations; (f) rates of inflation; (g) controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for U.S. dollars; (h) governmental involvement in and control over the economies; (i) that governments may decide not to continue to support economic reform programs generally and could impose centrally planned economies; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the securities markets; (l) longer settlement period for securities transactions; (m) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (n) certain considerations regarding the maintenance of Partnership portfolio securities and cash with non-U.S. sub-custodians and securities depositories.

#### Counterparty Risk

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

#### Commodity and Futures Contracts

The Partnership may also invest in commodity or futures contracts. Trading in commodity and futures contracts and options thereon are highly specialized activities which while they may increase the total return in the Partnership's investments, may entail greater than ordinary investment risks.

Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, the Investment Manager could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

#### Currency Risks

The Partnership may have exposure to fluctuations in currency exchange rates. It may, in part, seek to offset the risks associated with this exposure or enter into foreign exchange transactions to increase its returns. These transactions involve a significant degree of risk and foreign exchange markets are volatile, specialized and technical. Significant changes, including changes in liquidity and prices, can occur in these markets within very short periods of time. Changes in exchange rates over time are the result of many factors directly or indirectly affecting the economic and political conditions in the country or economic region associated with a specific currency. Exchange rates fluctuate for a number of reasons, including:

- existing and expected rates of inflation,
- existing and expected interest rate levels,
- the balance of payments between the relevant country and its major trading partners,
- political, civil or military unrest in the relevant country or economic region; and
- monetary, fiscal and trade policies of the relevant country or economic region (including pegging, de-pegging, flooring or capping an exchange rate relative to another currency).

Governments use a variety of techniques, such as intervention by their central banks or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the value of other currencies. However, governments do not always allow their currencies to float freely in response to economic forces. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the trading value of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. The value of the Partnership could be affected by the actions of sovereign governments, which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders. Additionally, market perceptions of the relative strength or cohesion of a specific political state or monetary union can dramatically affect the value of a currency. Fluctuations in exchange rates may negative impact the value of an investment in the Partnership to the extent the Partnership has currency exposure in the form of a hedge, a non-U.S. dollar denominated instrument or as a standalone position.

#### Credit Default Swap Agreements

The Partnership may utilize credit default swaps. The buyer of a credit default contract is obligated to pay the seller either a lump sum payment or a periodic stream of payments over

the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation or entity. Generally, a credit event means bankruptcy, failure to pay, cross default/acceleration, obligation acceleration, repudiation/moratorium, restructuring, or rating decline. The Partnership may be either the buyer or seller in a transaction. If the Partnership is a buyer and no credit event occurs, the Partnership will have made fixed payments and received nothing. However, if a credit event occurs, the Partnership, as a buyer, typically will receive full notional value for a reference obligation that may have little or no value. As a seller, the Partnership receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation which may have little or no value.

In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. Swap contracts are not traded on exchanges and are not otherwise regulated, and as a consequence, investors in such contracts do not benefit from regulatory protections. The selling of credit default swaps involves greater risks than if the Partnership had invested in the reference obligation directly. If a credit event were to occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value. The buyer of credit default swaps will incur a loss if the seller fails to perform on its obligation should a credit event occur. In certain circumstances, the buyer can receive the notional value of a credit default swap only by delivering a physical security to the seller, and is at risk if deliverable security is unavailable or illiquid.

#### Total Rate of Return Swaps

Under a total rate of return swap, the Partnership may be obligated to make certain periodic payments in exchange for the total rate of return on a referenced asset, such as an eligible loan or bond, and such return will include interest and the gain or loss on such asset over the term of the swap. Swap facilities often require covenants or qualifications related to referenced assets, including, but not limited to, covenants or qualifications regarding ratings and liquidity of a referenced asset or the diversification of a portfolio as a whole. The Partnership may be required to maintain collateral with the total rate of return swap counterparty. If the Partnership fails to fulfill its payment obligations or fails to post any required collateral under a total rate of return swap or if the Partnership has a substantial decline in net asset value, the counterparty may declare an event of default and, as a result, the Partnership may be required to pay swap breakage fees, suffer the loss of the amounts paid to the counterparty and forego the receipt from the counterparty of further total return swap payments.

#### Cyber Security Breaches and Identity Theft

The Investment Manager's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Investment Manager has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Investment Manager, the Partnership and/or the Master Fund may have to make a significant investment to fix or replace them. The failure of these systems and/or of

disaster recovery plans for any reason could cause significant interruptions in the Investment Manager's, the Partnership's and/or the Master Fund's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Investment Manager's, the Partnership's and/or the Master Fund's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

#### Limited Withdrawal and Transfer Rights

A Limited Partner generally will be permitted to withdraw all or any part of its Capital Account only in accordance with the terms described herein. Transfers of the Interests will be permitted only with the written consent of the General Partner. Accordingly, the Interests should only be acquired by investors willing and able to commit their funds for an appreciable period of time.

#### Side Letters

The Partnership has entered and may in the future enter into additional agreements ("Side Letters"), with certain prospective or existing Limited Partners whereby such Limited Partners may be subject to terms and conditions that are more advantageous than those set forth in this Memorandum. For example, such terms and conditions may provide for special rights to make future investments in the Partnership, other investment vehicles or managed accounts; special withdrawal rights, relating to frequency or notice; a reduction or rebate in management fees or incentive allocations to be paid by the Limited Partner and/or other terms; rights to receive reports from the Partnership on a more frequent basis or that include information not provided to other Limited Partners (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Partnership and such Limited Partners. The modifications are solely at the discretion of the Partnership and may, among other things, be based on the size of the Limited Partner's investment in the Partnership or affiliated investment entity, an agreement by a Limited Partner to maintain such investment in the Partnership for a significant period of time or other similar commitment by a Limited Partner to the Partnership, or may be granted to founding or strategic Limited Partners.

#### Less Liquid Securities

While the Partnership's portfolio is generally expected to be comprised of relatively liquid securities, the Partnership (through its investment in the Master Fund) may, at times, invest in less liquid securities, including certain illiquid privately offered securities. The Investment Manager may find it more difficult to readily dispose of these investments in the ordinary course of business. In addition, some of these investments may not have an established trading market. In the absence of an established trading market, the Partnership will, in accordance with its valuation policies then in effect, value such investments in good faith at each time the Partnership's net asset value ("NAV") is determined. Accordingly, the NAV of the Partnership may be based in part on the valuations placed on Master Fund assets by the Investment Manager without reference to an established trading market for such investments. It should, however, be noted that no more than 5% of the Partnership's portfolio (measured at cost at time of investment) will be invested in illiquid private securities at any given time.

## Item 9: Disciplinary Information

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

## Item 10: Other Financial Industry Activities and Affiliations

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

Stamina does not meet the definition of a commodity pool operator ("**CPO**"). Based on the amount of commodity interests that we trade, we have filed an exemption from registration pursuant to CFTC Rule 4.13(a)(3) based on our trading a *de minimis* level of commodity interests. We also expect to be exempt from registration as a commodity trading advisor ("**CTA**").

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

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

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### **Code of Ethics**

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

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

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are not permitted to maintain personal brokerage accounts for the purpose of trading "**Reportable Securities**" (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives) except for the purpose of holding or liquidating any such holdings after the commencement of employment. Employees are permitted to liquidate positions held at the time of employment in Reportable Securities (a "**Liquidating Trade**") subject to pre-clearance by the CCO. Employees are required to seek pre-approval if they wish to invest in Initial Public Offerings ("**IPOs**"). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm's Restricted List.



Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

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

#### ***Cross Trades and Principal Transactions***

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

#### ***Principal Transactions***

To the extent that Cross Trades may be viewed as principal transactions due to the ownership interest in a Client by the Firm or its personnel, the Firm will comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a Client and approved or disapproved by (i) an advisory board comprised of representatives of such investors; (ii) independent members of a board of directors; or (iii) a committee consisting of one or more persons selected by the Firm (or its affiliate), and any valuation approved by such a committee may, in the discretion of the committee, be determined by an independent third party that has appropriate experience in providing such valuations.

### **Item 12: Brokerage Practices**

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Stamina is authorized to determine the broker or dealer to be used for each securities transaction for the Fund. In selecting brokers or dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Firm's practice to negotiate "execution only" commission rates, thus the Fund may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

#### ***Best Execution***

In selecting brokers and negotiating commission rates, we will take into account the full range and quality of the executing broker-dealer's services.

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain "**Best Execution**". In seeking Best Execution, we will take into consideration:

- overall cost of a trade, including commissions;
- timeliness of execution;
- ability to accommodate special transaction needs;
- value of research and related services provided (meetings with corporate executives, equipment, software and models that provide portfolio analysis, market data, trade analytics);
- general responsiveness;
- financial resources;
- liquidity;

- efficiency/quality of execution;
- facilities;
- reliability, absence of trade errors;
- reputation, financial responsibility and stability;
- willingness to commit capital;
- nature and extent of client service;
- specialized knowledge of relevant geographic region(s) and/or corresponding securities exchange(s);
- ability to work trade orders over time;
- access to underwritten offerings and secondary markets;
- record of preserving confidentiality;
- quality of back office operations and overall settlement process;
- conflicts of interest;
- counterparty risk;
- regulatory limitations;
- client directed guidelines or restrictions; and/or
- other elements, when relevant.

### ***Soft Dollars***

The Firm may use “**Soft Dollars**”. Stamina will limit the use of “soft dollars” to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

Research and brokerage services obtained by the use of commissions arising from the Fund’s portfolio transactions may be used by the Investment Manager in its other investment activities and thus, the Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Although Stamina will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of “mixed use” products or services create a potential conflict of interest between the Investment Manager and its clients.

### **Item 13: Review of Accounts**

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Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Funds to ensure that they conform with the investment objectives and guidelines that are stated in the Offering Documents. In these reviews, we pay particular attention to any changes in the investment’s fundamentals, overall risk management and changes in the markets that may affect price levels.

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

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

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

#### **Item 15: Custody**

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

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) (i.e., the “custody rule”) by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund’s annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund’s audited financials to Investors within 120 days of such Fund’s fiscal year end.

#### **Item 16: Investment Discretion**

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We have full discretionary investment authority with respect to the Funds including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

#### **Item 17: Voting Client Securities**

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In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the “proxy voting rule”), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”) in a prudent and diligent manner that will serve the applicable Client’s best interests and is in line with the Client’s investment objectives.

The Firm will generally vote with management; however we review each proxy to determine whether and how to vote corporate actions and proxies on a case-by-case basis, and will:

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

We may, from time to time, make a recommendation to a Client regarding whether to participate in any class action suits in which one or more of the Clients are eligible, based upon a reasonable assessment of the costs and benefits relating to such participation. We may recommend not to participate in a class action suit for any number of reasons, including, without limitation, if we determine that the anticipated out-of-pocket costs associated with

any potential recovery are likely to exceed the amount of the potential recovery or if the Client account intends to pursue its legal rights outside of the class. Any proceeds from a class action suit will be allocated among the participating Clients and their underlying Investors currently existing at the time of recovery of such proceeds.

Generally, Investors or Clients may not direct our vote in a particular solicitation. Investors may obtain a copy of our Proxy voting policies and procedures by contacting the CCO.

#### **Item 18: Financial Information**

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