

StoneHawk Capital Management, LP

**8721 Catalina Drive
Prairie Village, Kansas 66207**

May 2019

This “**Brochure**” provides information about the qualifications and business practices of StoneHawk Capital Management, LP (hereinafter “**StoneHawk**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Cindy Burnett, by email at compliance@stonehawkcap.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.

StoneHawk is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that StoneHawk 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 StoneHawk is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is StoneHawk Capital Management, LP's update to its 120-day registration filing with the SEC. Since that filing, the Firm has begun to manage regulatory assets and those assets have been added to the brochure.

Item 3: Table of Contents

Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	5
Item 6: Performance-Based Fees and Side-By-Side Management.....	7
Item 7: Types of Clients	7
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss	7
Item 9: Disciplinary Information.....	16
Item 10: Other Financial Industry Activities and Affiliations.....	16
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	16
Item 12: Brokerage Practices.....	17
Item 13: Review of Accounts.....	18
Item 14: Client Referrals and Other Compensation	18
Item 15: Custody	19
Item 16: Investment Discretion.....	19
Item 17: Voting Client Securities	19
Item 18: Financial Information	19

Item 4: Advisory Business

StoneHawk Capital Management, LP (hereinafter “**StoneHawk**”, “**we**”, “**us**”, “**our**”, “**Investment Manager**”, or the “**Firm**”) is organized as a Delaware limited partnership with a principal place of business in Kansas, which was founded in November 2018. Kent Snodgrass, the Portfolio Manager of the Firm (the “**Portfolio Manager**”), is the majority beneficial owner of StoneHawk and will direct the investment activities and operations of the Funds (as defined below).

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933, 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.

Following registration with the SEC, StoneHawk intends to manage the following private, pooled investment vehicles:

- StoneHawk Master Fund, LP, a Cayman Islands exempted limited partnership (the “**Master Fund**”) and its General Partner StoneHawk GP, LLC (the “**Fund General Partner**”);
- StoneHawk Partners, LP, a Delaware limited partnership (the “**Onshore Fund**”) and its General Partner StoneHawk GP, LLC; and
- StoneHawk International, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**”).

In addition, StoneHawk serves as an investment adviser with discretionary trading authority over a separately managed account (the “**Separately Managed Account**”).

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

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.

The Firm has regulatory assets under management of \$78,703,157, all managed on a discretionary basis.

Item 5: Fees and Compensation

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

Management Fee

StoneHawk is paid an investment management fee ("**Management Fee**") per annum of the net asset value of the Funds.

The Fee will range from 1.25% to 1.5%, per annum.

The Separately Managed Account fee shall be approximately .05%, payable each calendar quarter, in advance.

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

Other Types of Fees or Expenses

StoneHawk is authorized to incur and pay in the name and on behalf of the Funds and Separately Managed Account expenses which they deem necessary or advisable.

The Firm is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, equipment, office supplies, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, personnel of the Firm.

The Master Fund will bear, or reimburse the Investment Manager and/or the General Partner for advancing, its own expenses, those of the Fund and the Domestic Feeder (collectively with the Fund and the Master Fund, the "**Funds**") and certain expenses of the Investment Manager, including, without limitation, the following: (i) expenses related to the research, execution and monitoring of actual and prospective investments (whether or not consummated) and the consummation of investments, including, without limitation, the following: third-party investment sourcing fees; fees and expenses of and related to obtaining research and market data (including, without limitation, data subscriptions (such as Bloomberg) and any information technology hardware, software or other technology incorporated into the cost of obtaining such research and market data); due diligence expenses including, without limitation, consulting and appraisal fees; investment- and research-related travel expenses (including first and business class fares); any outsourced trading provider fees; brokerage and prime brokerage fees, commissions and expenses (including the costs of negotiating, documenting and/or amending agreements with prime brokers, ISDAs and other agreements with trading and financing counterparties); expenses relating to borrowing securities to be sold short; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and other borrowing costs; fees and expenses of proxy research and voting services; broken deal expenses; and fees and expenses of third-party professionals, including,

without limitation, consultants, investment bankers, attorneys and accountants; (ii) organizational and offering fees and expenses, including, without limitation, the preparation and amendment of this Memorandum, the Articles, the Master Fund Partnership Agreement, the Investment Management Agreement and the Funds' Subscription Agreements; fees and expenses of the Investment Manager incurred in connection with "world sky" matters and private placement regimes, including the European Alternative Investment Fund Managers Directive, and Form D and blue sky and similar fees and expenses; expenses incurred in connection with negotiating, documenting and complying with provisions of any side letter agreement with investors; (iii) operational expenses, including, without limitation, the following: fees and expenses relating to information technology hardware, software or other technology (including, without limitation, costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate marketing, facilitate compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations and obligations arising from laws and regulations applicable to the Investment Manager) in connection with the activities of the Funds, and facilitate and manage the execution of securities or otherwise manage the Funds (including, in each case, Bloomberg terminals, portfolio management systems and order management systems); fees and expenses of third-party risk management products, models and services; third-party administrative fees and expenses, including fees and expenses of the Administrator (as defined below) and any middle office and/or back office service provider; fees and expenses of third-party professionals, including, without limitation, consultants, valuation service providers, attorneys, accountants and tax preparers; third-party audit and tax preparation expenses; the Funds' allocable share of insurance expenses, including, without limitation, premiums for liability insurance (including directors and officers liability insurance, errors and omission insurance, and cybersecurity insurance and liability insurance covering the Funds, the General Partner, the Investment Manager and the members, partners, officers, employees and agents of any of them, and each member of the Governance Committees (in each case, even if such insurance covers conduct for which indemnity would not be available from the Funds); fees and expenses associated with meetings of the Shareholders, the members of the Governance Committees and/or the Directors, including, without limitation, expenses related to the organization and conduct of such meetings (including, without limitation, travel [(including first and business class fares)], lodging and meal-related expenses); Director fees (including registration fees); fees and expenses associated with the Governance Committees; costs of preparing and distributing reports and notices to investors of the Funds [(including the development, implementation and maintenance of an investor electronic delivery site and/or system)]; entity-level taxes; fees and expenses related to compliance with applicable law and regulations in connection with the activities of the Funds, including, without limitation, any governmental, regulatory, licensing, filing, reporting or registration expenses, fees or taxes (including, without limitation, fees and expenses incurred in connection with filings for the Foreign Account Tax Compliance Act provisions of the United States Hiring Incentives to Restore Employment Act of 2010, filings pursuant to Automatic Exchange of Information and the preparation and filing of Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings); and fees and expenses of third-party professionals and service providers related to the foregoing; and (iv) extraordinary expenses, including, without limitation, the following: litigation expenses involving the activities of the Funds (including attorneys' fees, investigative fees and expenses), the cost of settlements and indemnification expenses (including advances thereof); fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, including, without limitation, any related administrative settlement and judicial

review; and fees and expenses incurred in connection with the reorganization, restructuring, dissolution, winding-up or termination of any of the Funds.

The Investment Manager and/or the General Partner may, in their discretion, waive their right to be reimbursed for any of the foregoing expenses for any period of time.

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

Except as provided above, the General Partner and the Investment Manager will bear their own operating, rent, utilities and similar overhead expenses, in addition to the compensation of their employees.

Generally, all expenses of the Funds will be borne by the Fund, other than any expenses that the General Partner determines in its discretion should be allocated to a particular feeder fund (including the Fund). Although the Funds will generally share or be allocated the expenses on a pro rata basis based on their respective ownership of the Funds, the economic benefit that each of the Funds receives with respect to such expenses may not be the same.

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

Incentive Allocation

At the end of each fiscal year and upon an Investor's redemption of all or any portion of its Shares, the Fund will pay the Investment Manager, from the applicable Capital Accounts of the Fund corresponding to each series of Shares, an incentive fee equal to the applicable Incentive Fee Percentage of the aggregate net capital appreciation (including net unrealized gains and losses and determined after all expenses, including the Management Fee, are taken into account) allocated to the applicable Capital Accounts of the Fund corresponding to each series of Shares (or the Shares being redeemed) for such fiscal year (or elapsed portion thereof) (the "**Incentive Fee**"), subject to a "high water mark" provision.

In the discretion of the Investment Manager, the Incentive Fee may be paid by the Fund instead of by the Fund for any period of time. In addition, the Investment Manager has the right to restructure the Incentive Fee as an incentive-based allocation to the Investment Manager (or an affiliate of the Investment Manager) at any time. In such a case, such incentive-based allocation will also be calculated net of the Fund's expenses.

Item 7: Types of Clients

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

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients (including the Funds and Separately Managed Account), 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 objective of the Fund is to generate returns greater than the risk-free rate with a low degree of variability and limited correlation to broad market returns. To achieve this objective, the Investment Manager employs a market neutral strategy primarily focused on identifying and exploiting valuation anomalies and inefficiencies in the financial sector [across all market caps in North America]. However, the Investment Manager may invest opportunistically in [other sectors [impacted by the financial sector]] or regions in its discretion.

Investment Strategy

The Investment Manager seeks to accomplish the Fund's objective through investment strategies and hedging techniques designed to minimize the effects of the general market on the portfolio. The principal investment strategy of the Investment Manager is to identify and exploit valuation anomalies and inefficiencies across capital markets in the financial sector employing both a systematic and thematic relative value approach of fundamental analysis to attempt to understand market expectations and industry outlook that will influence company performance.

Risk Management

The Investment Manager continually monitors the relevant markets in an effort to uncover structural inefficiencies and investor biases toward certain types of risk. Once an opportunity has been identified, the Investment Manager determines the reason that the inefficiency exists and the potential catalyst that will correct it. After the Investment Manager is satisfied that this has been accomplished, a corresponding hedge is formulated in an attempt to isolate the inefficiency. This hedging discipline is intended to allow the Fund to benefit from the investment philosophy and capabilities of the Investment Manager while protecting the Fund from market risks that are difficult to manage while building a comparative advantage. Investment and hedging strategies may take any form, including long or short positions in securities of every kind, including stocks, bonds, convertible securities, warrants, futures contracts options, and other forms of derivative instruments.

The Investment Manager's strategy also integrates quantitative analysis of historical and theoretical relationships between securities with a rigorous fundamental analysis of the current macroeconomic environment and industry and company fundamentals. The Investment Manager believes this not only allows the Investment Manager to identify more opportunities, but also avoids certain pitfalls of relying exclusively on either quantitative or fundamental analysis.

Prudent use of leverage will be used to enhance returns. The amount of leverage used will vary with the number and quality of investment opportunities available to the Fund and with the perceived level of risk and liquidity of the portfolio. Only during periods when the Investment Manager believes that there are an exceptional number of high-quality

opportunities, or that the overall risk level of the portfolio is low, will the Fund more fully utilize leverage.

Risk of Loss Factors

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

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below. Each prospective investor should carefully review the Offering Documents and the documents referred to herein before deciding to invest with StoneHawk.

Equity Securities. The Fund and Separately Managed Account will invest in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect the Fund's positions.

Short Sales. A short sale involves the sale of a security that the Fund and Separately Managed Account do not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Fund must borrow the security and the Fund is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Fund. When the Fund makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effective on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss to the Fund. The extent to which the Fund will engage in short sales will depend upon the Investment Manager's trading strategy and perception of market direction and the value of individual securities. The Investment Manager will engage in short sales on behalf of the Fund as a hedge against potential market declines and/or based on its analysis of the subject issuers.

Hedging Transactions. The Fund and Separately Managed Account will utilize various financial instruments, both for trading purposes and for risk management purposes in order (i) to protect against possible changes in the market value of the Fund's portfolio resulting from fluctuations in the securities markets; (ii) to protect the Fund's unrealized gains in the value of the Fund's portfolio; (iii) to facilitate the sale of any such investments; (iv) to enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio; (v) to hedge the

currency exchange rate on any of the Fund's liabilities or assets; (vi) to protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate in its discretion.

The success of the Fund's hedging strategy will depend, in part, upon the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

Leverage and Borrowing Risks. The Investment Manager intends to use leverage as part of the Fund's and Separately Managed Accounts trading program and the amount of leverage which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage may be obtained by borrowing funds to make trades or by purchasing or entering into derivative instruments that are inherently leveraged, such as swaps, options, futures and forward contracts.

If the interest expense on borrowings were to exceed the net return on the positions acquired with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged. If the amount of borrowings which the Fund may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the Fund's portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Any gains made with the additional monies borrowed will generally cause the value of the Fund's assets to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies fails to cover their cost to the Fund, the value of the Fund's assets will, generally, decline faster than would otherwise be the case. The amount of any borrowing may also be limited by regulations imposed by the Federal Reserve Board or by the availability and cost of credit, as well as due to overall market conditions. If, due to market fluctuations or other reasons, the value of the Fund's assets should fall below required regulatory or counterparty-imposed levels, the Fund will be required to reduce its debt by selling securities in its long portfolio. The Fund may also be unable to carry-out its trading program if it is not able to obtain leverage on reasonable terms.

In the case of derivative instruments, because many derivatives are "leveraged," such instruments provide significantly more market exposure than the money paid or deposited when the transaction is entered into and, thus, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested.

In addition, in transactions involving derivative instruments, counterparties and lenders will likely require the Fund to post collateral to support its obligations. Should the securities and other assets pledged as collateral decline in value, or should brokers increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), the Fund could be subject to a “margin call” pursuant to which it must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a precipitous drop in the value of pledged securities, the Fund might not be able to liquidate assets quickly enough to pay off the margin debt or provide additional collateral and may suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses. Furthermore, secured counterparties and lenders will generally have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of collateral posted by the Fund. This could increase exposure to the risk of a counterparty default since, under such circumstances, the Fund may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral. The occurrence of defaults may trigger cross-defaults under the Fund’s agreements with other brokers, lenders, clearing firms or other counterparties, creating or increasing a material adverse effect on the performance of the Fund.

Price Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which the Fund invests may decline or rise substantially. In particular, purchasing assets at prices that may appear to be “undervalued” is no guarantee that such assets will not be trading at even more “undervalued” levels at the time of valuation or at the time of sale. Similarly, shorting assets at prices that may appear to be “overvalued” is no guarantee that such assets will not be trading at even more “overvalued” levels at the time of valuation or at the time of sale.

Derivatives Generally. Derivative instruments, or “derivatives,” include options, futures, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, financial assets, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, financial asset, currency or index at a fraction of the cost of investing in the underlying asset. The Fund may seek to acquire derivatives for these or other reasons, however, there is no assurance that derivatives that the Fund wishes to acquire will be available at any particular times upon satisfactory terms or at all.

The value of a derivative is frequently difficult to determine and depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are “leveraged,” and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement in the underlying asset can not only result in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested. Over-the-counter (“OTC”) derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The OTC market for derivatives is relatively illiquid. In the case of OTC derivatives contracts, the Fund is subject to the credit risk of the counterparty. The Fund may take advantage of opportunities with respect to certain other derivative instruments that are not presently

contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the trading objective of the Fund and legally permissible. Special risks may apply to instruments that are invested in by the Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Fund.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) enables the CFTC and the SEC to enact new regulations on certain OTC derivatives. Under the Dodd-Frank Act and rules promulgated thereunder, certain OTC derivatives contracts are required to be traded on regulated trading platforms (i.e., swap execution and facilities) and cleared through registered clearing organizations subject to regulation by the SEC and the CFTC. Such contracts are traded more like futures and options contracts, and parties to such transactions trade standardized contracts and will face clearing organizations as contractual counterparties, rather than facing the credit risk of counterparties under individually negotiated bilateral OTC agreements.

In addition, swap dealers and major swap participants (entities that are not swap dealers, but are subject to rules governing dealers due to their levels of activity and exposure) are subject to regulatory oversight and requirements with respect to OTC derivatives, which will include business conduct requirements, such as know-your-customer rules, increased risk disclosure and rules requiring trades to be documented and confirmed within certain timeframes. Derivative contracts, whether cleared or uncleared, will have to be reported to trade data repositories registered with the CFTC and/or the SEC.

While the CFTC has finalized the majority of its required rulemakings under the Dodd-Frank Act, there are still a number of rules that have not been finalized by the SEC. As a result, the effect that the foregoing regulatory changes will have on the price of derivative contracts, liquidity and administrative costs, among other things, still remains unclear. In addition, certain related provisions may be revised, repealed or amended. The impact of any such changes is unknown.

Call Options. The Fund and Separately Managed Account may trade in call options as part of its investment strategy or for hedging purposes. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Put Options. The Fund and Separately Managed Account may trade in put options as part of its investment strategy or for hedging purposes. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the

underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

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

Non-U.S. Investments. The Fund and Separately Managed Account may trade non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the U.S., typically in other North American markets. Investments in securities of non-U.S. issuers (including non-U.S. governments) and securities denominated in, or the prices of which are quoted in, non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks not typically associated with trading in U.S. securities or other instruments. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the U.S. or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S., and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. The Fund might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Fund’s performance.

Currency Risks. The Fund and Separately Managed Account may invest in securities and other instruments denominated or quoted in currencies other than the U.S. Dollar. In connection therewith, the Investment Manager may hedge against the resulting currency exposure wherever economically prudent. However, changes in currency exchange rates will affect the value of the Fund’s portfolio and the unrealized appreciation or depreciation of investments. Further, the Fund may incur costs in connection with conversions between various currencies. Foreign currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. The Fund will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the

currency exchange market, or through entering into forward contracts to purchase or sell non-U.S. currencies.

Counterparty Risk. Some of the markets in which the Fund and Separately Managed Account may transact in are “over-the-counter” or “interdealer” markets. The participants in such markets typically are not subject to the same credit evaluation and regulatory oversight as are members of “exchange based” markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with such “over-the-counter” transactions. This exposes the Fund 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 Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Investment Manager is not restricted from dealing with any particular counterparty or from concentrating any or all of the Fund’s transactions with any one counterparty. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

The Fund’s trading strategy may involve transactions that expose it to the credit of its counterparties, and vice versa. For example, the Fund may seek to borrow against long positions, to borrow securities intending to sell them short and to enter into long and short derivative positions. All of these transactions, and transactions similar to them, are governed by documents, industry standards, market customs and practices, the parties’ prior course of dealing and by the covenants of good faith and fair dealing. At times, and especially in times of market stress, these credit exposures may come under stress, normal business conduct may be interrupted and normal legal protections may prove inadequate or may fail to provide timely relief. Furthermore, the prime brokerage agreements between the Fund and its prime brokers may be terminated at any time upon notice from a prime broker without penalty. Should it become necessary to remove or reduce credit exposure to a particular counterparty, or in the event that a prime broker elects to terminate its prime brokerage agreement, there can be no guarantee that a satisfactory alternative will be available, or even if one is available, that the Fund will be able to avail itself of that alternative. As a consequence, it is possible that positions may be unwound at a disadvantageous time and any unwinding and/or porting of positions to another counterparty may prove costly and thereby damage the Fund.

While the selecting of brokers or dealers who will maintain custody of the assets of the Fund is done with care, there is a residual risk that any such brokers or dealers could become insolvent. Assets of the Fund held as collateral may not be segregated from the assets of such brokers or dealers and therefore may be made available to third party creditors of the brokers or dealers in the event of insolvency. In addition, there may be practical or time problems associated with enforcing the rights of the Fund to its respective assets in the case of an insolvency of any such party.

Competition; Availability of Investments. Certain markets in which the Fund and Separately Managed Account may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that the Investment Manager will be able to identify or successfully pursue attractive investment opportunities in such environments. There has been significant growth

in the number of firms organized to make such investments, which may result in increased competition to the Fund in obtaining suitable investments. Competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities or alter the terms on which the Fund is able to invest. It may be difficult for the Fund to capitalize on investment opportunities or to purchase investments at the Fund's initial desired price. There can be no assurance that the Investment Manager will be able to identify or successfully pursue attractive investment opportunities for the Fund.

Small to Medium Capitalization Companies. The Fund and Separately Managed Account may invest a portion of its assets in the stocks of companies with small- to medium-sized market capitalizations. While the Investment Manager believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Special Situations. The Fund and Separately Managed Account may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spinoffs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either 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. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund may invest, there is a potential risk of loss by the Fund of its entire investment in such companies.

Exchange Traded Funds. The Fund and Separately Managed Account may trade Exchange Traded Funds ("ETFs"). ETFs are publicly traded unit investment trusts, open end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the Funds' expenses (e.g., Management Fees and operating expenses), Shareholders may also indirectly bear similar expenses of an ETF.]

Inside Information. From time to time, the Investment Manager and its affiliates may come into possession of inside information concerning specific companies. Under applicable securities laws, this may limit the Fund's ability to buy or sell securities issued by such companies. If the Fund holds the securities of a company with respect to which the Investment Manager is in possession of inside information, the Fund may be restricted from trading the securities of such company for an indefinite period of time, which could result in losses to the

Fund.

Changes and Uncertainty in U.S. and International Regulation. The Fund and Separately Managed Account may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the Fund's assets are exposed through their portfolio or investor base. The tax and regulatory environment for hedge funds is evolving, and changes in the regulation or tax treatment of hedge funds and their investments may adversely affect the value of investments held by the Fund or the Fund's ability to pursue its trading strategy. During this period of uncertainty, market participants may react quickly to unconfirmed reports or information and as a result there may be increased market volatility. This unpredictability could cause the Investment Manager to alter trading plans, including the holding period of positions and the nature of instruments used to achieve the Fund's objective. In the United States, the Fund, the Investment Manager and the General Partner may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the Financial Stability Oversight Council, and other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. In addition, the securities and futures markets are subject to comprehensive statutes and regulations, including margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The Dodd-Frank Act and the rules promulgated thereunder could result in the Fund, the Investment Manager and the General Partner becoming subject to additional regulatory compliance burdens and trade reporting, which may add significant costs to the Fund.

Additionally, there is speculation that certain of the provisions of the Dodd-Frank Act impacting the Fund and rules and regulations promulgated thereunder may be revised, repealed or amended. The impact of any such review and potential changes is unknown. None of the Investment Manager, the General Partner or the Fund undertakes to update Shareholders upon such changes or upon finalization of any such changes.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

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

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

Code of Ethics

StoneHawk 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 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). Employees are required to direct their brokers to send duplicate copies of personal discretionary brokerage account statements to the CCO. These records are used to monitor compliance with StoneHawk's "**Employee Investment Policy**." 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) making a transaction in Covered Accounts of Reportable Securities, including any IPO; (ii) engaging in any outside business activities; or (iii) making any private investments.

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

Item 12: Brokerage Practices

StoneHawk is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds and Separately Managed Account. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate "execution only" commission rates; therefore, the Funds and Separately Managed Account may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We shall also have the authority to select and appoint custodians of the assets of the Funds and Separately Managed Account. The Firm's authority is limited by its own internal policies and procedures and each Fund's and Separately Managed Account investment guidelines.

Best Execution

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

research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollars

The Firm may use “**Soft Dollars**”. In such cases, Soft Dollar credits, generated by the Separately Managed Account and Fund’s trading activities, would be used to purchase brokerage and research services or products that would otherwise have been Fund expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

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

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a client. Any research, services or property provided by a broker may benefit any client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

Item 13: Review of Accounts

Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Fund’s Offering Documents and Separately Managed Account Investment Management Agreement. In these reviews, the Firm pays particular attention to any changes in the investment’s fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each client’s portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

Item 14: Client Referrals and Other Compensation

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

Item 15: Custody

We will be deemed to have custody of 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 StoneHawk.

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

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

Item 17: Voting Client Securities

In compliance with 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 that StoneHawk will exercise its discretion when deciding to vote a proxy or not.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

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