

# Hawkeye Capital Management, LLC

1815 Purdy Avenue  
Miami Beach, FL 33139

Mailing Address/ All Correspondence:  
1251 Avenue of the Americas, 8th Floor  
New York, NY 10020  
212.265.0565

[www.hawkeyecap.com](http://www.hawkeyecap.com)

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This Brochure provides information about the qualifications and business practices of Hawkeye Capital Management, LLC ("Hawkeye" or "Adviser"). Registration as a registered investment adviser pursuant to the Investment Advisers Act of 1940, as amended, (the "*Advisers Act*") does not imply any level of skill or training.

If you have any questions about the contents of this Brochure, please contact us at 212.265.0565. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

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

This document is not an advertisement, an offer to sell or the solicitation of an offer to purchase interests in any fund managed by Hawkeye. Offers to invest in any such interests may be made only pursuant to a private placement memorandum to qualified investors.

### **Item 2: Material Changes**

Hawkeye Capital Management, LLC has updated Form ADV Part 2 (brochure) as part of the annual amendment process. The Firm changed its principal place of business since our last annual update in March of 2018 which was reflected in an interim update in February of 2019.

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### Item 4: Advisory Business

Hawkeye Capital Management, LLC (“Hawkeye”) was established in 1999 and provides investment management services on a discretionary basis only. The principal owner of Hawkeye is Richard A. Rubin.

Hawkeye provides advisory services to privately offered pooled investment vehicles exempt from registration under the Investment Company Act of 1940, as amended (collectively, the “Funds”). The Funds are organized in a master-feeder structure. Investors may invest in one or more of the three feeder funds: Hawkeye Capital, L.P. 3(c)1 (the “Domestic Fund”), Hawkeye Capital Institutional, L.P. 3(c)7 (the “Institutional Fund”) and Hawkeye Capital Offshore (a sub-trust of a Cayman Unit Trust) (the “Offshore Fund”). The feeder funds invest substantially all of their assets in the master fund, Hawkeye Capital Master (a class and separate sub-trust of the Hawkeye Capital Series Trust.)

Hawkeye Capital IncentiveCo, LLC, a Delaware limited liability company, is an affiliate of Hawkeye and a “Special Unitholder” of the Master Fund. Richard A. Rubin is the managing member of the Special Unitholder.

As of December 31, 2018, discretionary assets under management were approximately \$672,449,142.

### Item 5: Fees and Compensation

#### Management Fees

Hawkeye receives fees for investment advisory services based on assets under management as disclosed in the respective Fund’s offering documents. Investment advisory fees are payable monthly in advance. Investment advisory fees for the Funds are calculated by a third-party administrator (“Administrator”), approved by Hawkeye and deducted from each investor’s capital account.

Hawkeye, in its sole discretion, may waive all or a portion of the investment advisory fee. Hawkeye has entered into side letters with one or more investors in the Funds which have established different rights or privileges with respect to various items, including but not limited to, management fees, performance-based fees, capacity, foreign investments, most favored nation, and key man. Hawkeye may generally enter into such side letters without approval from, or notice to, any investor.

Investment management services may be terminated in accordance with the terms outlined in the offering documents for each Fund.

#### Other Fees

In addition to the investment advisory fee, each investor bears its allocable share of expenses associated with the operations of the Funds. These may include, among others:

- All investment expenses, including brokerage and commission expenses, fees and expenses of open and closed-end funds, margin, premium and interest expenses, fees and disbursements of transfer agents, registrars, custodians, sub-custodians and escrow agents and all other investment related expenses of any type;
- Legal expenses and external accounting expenses related to the Funds and their investments, including any expenses incurred by any consultants to the Funds and investment research related expenses;
- Extraordinary expenses such as litigation and indemnification; and
- Due diligence and related travel expenses.

Potential investors should review the appropriate offering documents for complete disclosure of the Funds' expenses.

Item 12 further describes the factors that Hawkeye considers in selecting or recommending broker-dealers for transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

The Performance Allocation will accrue monthly and be payable by the Master Fund to the Special Unitholder annually on December 31 of each year, upon the liquidation of the Master Fund or upon a redemption of Units by a Unitholder (in which case the portion of the Performance Allocation in respect of the redeemed Units will be payable to the Special Unitholder). The Performance Allocation is equal to twenty percent (20%) of the increase, if any, in the Net Asset Value of such class and series of Master Units, after the deduction of all fees and expenses except the Performance Allocation, on a high watermark basis.

Hawkeye or the Special Unitholder, in its sole discretion, may waive all or a portion of the performance allocation. Hawkeye structures any performance or incentive arrangements subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based allocations, Hawkeye shall include realized and unrealized capital gains and losses, as well as interest and dividends.

Hawkeye has adopted policies and procedures to comply with its fiduciary obligation to accurately value client portfolios. The Administrator independently values portfolio securities and calculates the net asset value in accordance with agreed upon pricing guidelines. Valuation of the securities and other investments held in the Funds may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the net asset value of the Fund could be adversely affected. Certain of the Fund's investments may not be listed on established exchanges, which may make a determination of the fair market value of such investments difficult to accurately determine. Third party pricing information may not always be available with respect to certain securities. Valuation determinations made by Hawkeye are conclusive and binding, and may affect the amount of the management and performance fees paid to Hawkeye and its affiliated entity.

The Funds are not subject to trade allocation conflicts in that they are managed as a single pool of assets under a single strategy, with all trading activity conducted through the master fund. If Hawkeye were to manage additional portfolios/accounts with different fee structures, Hawkeye would adopt trade allocation policies designed to allocate investments in a fair and equitable manner.

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

Hawkeye provides portfolio management services to privately offered pooled investment vehicles. A minimum initial investment of \$1,000,000 is generally required to invest in the Funds. However, Hawkeye has discretion to decrease or waive the minimum initial investment for one or more investors (or prospective investors) as long as they qualify to invest based on all other suitability and regulatory requirements.

Generally, investors in the Funds must each be (i) an “accredited investor,” as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, and (ii) a “qualified client,” as that term is defined in Rule 205-3 under the Advisers Act. Investors in the Hawkeye Capital Institutional Fund, L.P. must each be a “qualified purchaser” as that term is defined under Section 2(a)(51) of the Investment Company Act of 1940, as amended. Investors in the Funds may include, but are not limited to, high net worth individuals, family offices, funds of hedge funds, endowments, foundations, trusts, estates, charitable organizations, pension plans, limited partnerships, limited liability companies and similar entities.

Hawkeye may decline to accept an investment even if the proposed investor satisfies such suitability and regulatory requirements.

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

#### **Investment Strategy**

The Funds seek to generate superior risk-adjusted returns primarily from long-term capital appreciation by investing in companies whose securities are trading substantially below their intrinsic value. The Funds’ investments include equity and debt securities of companies selling at low multiples of cash flow and earnings and discounts to liquidation value. The Funds attempt to identify undervalued investment opportunities by recognizing certain structural market inefficiencies that exist and market dislocations as they occur.

#### **Method of Analysis**

In order to achieve its investment objectives, Hawkeye uses a disciplined approach based on intensive bottom-up investment analysis, a conservative methodology for asset valuation and active opportunistic portfolio management. There is, however, no assurance that the Funds will achieve their investment objectives.

## Hawkeye Capital Management, LLC

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*The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Funds advised by Hawkeye. For a more detailed list of risk factors applicable to the Funds, please refer to the Fund's offering memorandum.*

### **Investment Risks in General**

Investment in the Funds involves a significant degree of risk including the loss of capital. Potential investors should carefully evaluate the following considerations before investing in the Funds.

### **Convertible Securities**

As a result of the conversion feature, convertible securities typically offer lower interest rates than if the securities were not convertible. During periods of rising interest rates, it is possible that the potential for capital gain on convertible securities may be less than that of a common stock equivalent if the yield on the convertible security is at a level that would cause it to sell at a discount.

Convertible securities may or may not be rated within the four highest categories by Standard & Poor's Ratings Group ("S&P") and Moody's Investor Service ("Moody's") and is, therefore, not investment grade. To the extent that convertible securities are rated lower than investment grade or not rated, there would be greater risk as to timely repayment of the principal of, and timely payment of interest or dividends on, those securities.

Securities that are rated BB or lower by S&P or Ba or lower by Moody's are often referred to in the financial press as "junk bonds" and may include securities of issuers in default. "Junk bonds" are considered by the ratings agencies to be predominantly speculative and may involve major risk exposures such as: (a) vulnerability to economic downturns and changes in interest rates; (b) sensitivity to adverse economic changes and corporate developments; (c) redemption or call provisions which may be exercised at inopportune times; and (d) difficulty in accurately valuing or disposing of such securities.

Also, in the absence of adequate anti-dilution provisions in a convertible security, dilution in the value of Fund holdings may occur in the event the underlying stock is subdivided, additional securities are issued, a stock dividend is declared, or the issuer enters into another type of corporate transaction which increases its outstanding securities.

### **Illiquid Assets**

Securities that were liquid at the time of purchase may become less so over time as a result of numerous factors. As a result, the Funds may be unable to make withdrawal payments to investors to the extent the Funds have invested in securities that have become illiquid. In order to make withdrawal payments to investors, the Funds may be required to liquidate all or a portion of their investment in a particular security at a time when they might not otherwise wish to effectuate such liquidation. In addition, in some cases, the Funds may be prohibited by contract from selling securities for a period of time. There is also the risk that the Funds will be unable to realize their investment objectives by sale or other disposal at attractive prices or otherwise be unable to execute a successful exit strategy. As a result, distributions to investors may take the form of distributions of securities, some or all of which may be illiquid or restricted. Throughout its history, Hawkeye has honored all redemption requests in a timely manner in cash, in full. Hawkeye intends to continue to operate in this manner.

### *Small and Medium Capitalization Companies*

The Funds may invest in the stocks of companies with small- to medium-sized market capitalizations, including growth stage companies. While Hawkeye believes such companies 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 small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in some small- capitalization stocks, an investment in those stocks may be highly illiquid.

### *Securities of Issuers in Default*

The Funds may invest in securities of issuers in default. By investing in the securities of issuers in default, the Funds bear the risk that these issuers will not continue to honor their obligations or emerge from bankruptcy protection or that the value of these securities will not appreciate.

### *Securities Believed to be Undervalued or Incorrectly Valued*

Securities which Hawkeye believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame Hawkeye anticipates. As a result, the Funds may lose all or substantially all of their investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to the Funds' investment in any instrument and some obligations and preferred stock in which the Funds invest may be less than investment grade.

### *Leverage*

The use of leverage, which can be described as exposure to changes in price at a ratio greater than the amount of equity invested, magnifies both the favorable and unfavorable effects of price movements in the investments made by the Funds. Although Hawkeye does not borrow money for the purpose of leveraging their investments and does not expect to affect such borrowing on a go-forward basis, inasmuch as the Funds employ leverage in their investment operations, the Funds and their investors may be subject to substantial risk of loss. With volatile instruments, downward price swings can result in margin calls that could require liquidation of securities at inopportune times. The Funds have never used leverage.

### *Short Selling*

Short selling involves selling securities which may or may not be owned and borrowing the same number of securities to be delivered to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices. However, if the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Possible losses from short sales differ from losses that could be incurred from purchases of securities because losses from short sales may be unlimited whereas losses from purchases cannot exceed the total amount invested. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.



### Option Transactions

The purchase or sale of an option involves the payment or receipt of a premium payment 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 does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, 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. In addition, an option purchased or sold over-the-counter involves counterparty solvency risk.

### Derivatives

To the extent that the Fund invests in swaps, derivatives or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Although certain types of derivatives are now subject to mandatory clearing, which may mitigate counterparty risk, transactions entered directly between two counterparties often still do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Fund, and hence the Fund should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or timing problems associated with enforcing rights to its assets in the case of an insolvency of any such party. A mitigating factor pertaining to the above referenced risks are the provisions related to margin requirements and payment netting in the governing documents for a variety of over-the-counter derivative instruments.

The price or value of financial derivatives may be highly volatile. The price or value of a derivative depends largely upon price and value movements in the underlying security, instrument or asset to which it refers. Therefore, many of the risks applicable to trading such an underlying security, instrument or asset, as applicable, are also applicable to its derivative. However, there are a number of other risks associated with derivatives. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than, for example, any premium paid or amount deposited as collateral when the transaction is entered into, a relatively small adverse market movement can result in a relatively large loss perhaps exceeding the original amount of equity invested. In addition, financial derivatives generally expose the Fund to the risk that the parties with which the Fund deals (such as large financial institutions that provide prime brokerage services) will not perform their obligations for insolvency, credit or other reasons. Such non-performance could expose the Fund to losses, notwithstanding any gain on the underlying asset in respect of the applicable derivative. Derivatives may also expose the Fund to liquidity risk, as the Fund may want to sell, assign or terminate early a derivative, and may not be able to do so without incurring substantial losses.

### Non-U.S. Securities

The Funds may invest a portion of their assets in securities of issuers domiciled or operating in one or more foreign countries or in securities issued by non-U.S. governments. Investing in these securities involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the United States, including instability of some non-U.S. governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of non-U.S. tax laws (for example, the imposition of withholding taxes) or confiscatory taxation may also affect investment in non-U.S. securities. Higher expenses may result from investments in non-U.S. securities than would be the case for investments in U.S. securities because of costs incurred in connection with conversions between various currencies and higher non-U.S. brokerage commissions. Non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Investments in non-U.S. countries could be affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

### High Yield Securities

The Funds may make investments in "high yield" bonds and preferred securities that 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. 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. The yields and prices of lower-rated securities may tend to fluctuate more than those for higher-rated securities. 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 the securities.

## **Item 9: Disciplinary Information**

Hawkeye has no legal or disciplinary events to report that would impact the evaluation by an investor or prospective investor of Hawkeye's advisory business or the integrity of our management.

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

Neither Hawkeye nor any of its management persons is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of any of the foregoing entities. Further, neither Hawkeye nor any of its management persons has any relationship or arrangement that is material to its advisory business or to our clients with any related persons with whom such a relationship or arrangement would be reportable under this Item. Finally, Hawkeye does not recommend or select other investment advisers for our clients in return

for direct or indirect compensation from such advisers, nor does Hawkeye have other business relationships with any investment advisers so recommended or selected, in each case, that creates a material conflict of interest.

Matthew S. Hardin is a securities attorney and is licensed to practice law in Pennsylvania, Missouri and Illinois. He owns Hardin Law Group LLC, a law firm based in Pennsylvania. In addition, Mr. Hardin is an equity owner of Hardin Compliance Consulting LLC, a firm specializing in providing regulatory compliance consulting services to registered investment advisers, broker-dealers, investment companies and private funds. Mr. Hardin serves as Chief Compliance Officer of Hawkeye Capital Management, LLC. He is also registered with BPU Investment Management, Inc., a registered broker-dealer and FINRA member. Hawkeye does not utilize BPU Investment Management, Inc. on behalf of the Firm's clients.

### **Item 11: Code of Ethics**

Hawkeye has adopted a Code of Ethics (the "Code") for all supervised persons of the Firm describing its high standards of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, guidelines surrounding gifts and business entertainment items, personal securities trading, conflicts of interest, among other things. All supervised persons must acknowledge the terms of the Code initially upon hire as well as annually, or as amended.

Employees may maintain personal securities accounts but are subject to strict guidelines. In general, employees may transact in mutual funds or other non-reportable securities as defined in the Code. In certain circumstances, employees may be permitted to transact in a private placement or limited offering (as that term is defined), but must first obtain pre-approval by the CCO and the Managing Member. Other transactions are generally prohibited (e.g. single name securities, options, derivatives, etc.), but may be approved upon request on a very limited case-by-case basis by the CCO and the Managing Member. Transactions are reported to the CCO in accordance with the reporting requirements outlined in the Code and personal trading is continually monitored in order to reasonably prevent conflicts of interest between Hawkeye and its investors.

We will provide a copy of our Code of Ethics to investors upon request.

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

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Hawkeye manages only one portfolio of assets and does not have an affiliated broker-dealer, so principal and agency cross securities transactions are not applicable to Hawkeye at the current time.

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

Hawkeye has discretion over what securities and the amount thereof to be bought and sold, the broker or dealer to be used as well as the commission rates to be paid. In keeping with our fiduciary duties to the Funds, we seek “best execution” in effecting trades for the Funds. In general, this means we seek to effect transactions for the Funds in a way that the total cost or proceeds to the Funds of each transaction is the most favorable under the circumstances. “Best execution” is not measured solely by reference to commission rates or price. Paying a broker a higher commission than rates charged by other brokers may be appropriate when the difference in commission rates is reasonably justified by the value of the brokerage services obtained for the Funds.

Transactions are generally allocated by Hawkeye to brokers on the basis of best available execution and in consideration of such broker’s provision or payment of the costs of brokerage and research services. Hawkeye may invest in illiquid securities or investments, limiting the broker-dealers with whom the Funds may deal. When selecting brokers, banks and dealers to effect transactions, Hawkeye considers such factors as price, the availability of the brokers, banks, and dealers to effect transactions, their facilities, reliability and financial responsibility, as well as any products or services provided, or expenses paid, by such brokers, banks and dealers.

Hawkeye reserves the right to use soft dollars to pay for research and brokerage services so long as such usage meets the safe harbor criteria of Section 28(e) of the Securities Exchange Act of 1934, as amended, which provides, in summary, that it is not a breach of fiduciary duty for an adviser to cause an account to pay a commission in excess of the lowest rate available if the adviser determines in good faith that the amount of the commission is reasonable in relation to the value of the brokerage and research services provided. Currently, Hawkeye has one soft dollar relationship pursuant to which Hawkeye receives research products and services created or developed by a third party. The use of soft dollars may create conflicts of interest. First, the use of externally-developed research supplements and may at time partially supplant the research we perform internally. Because the Funds are responsible for both research expenses and brokerage commissions, the cost of external research is borne by the Funds rather than the Adviser regardless of the means of payment. However, our use of external research, obtained through soft dollars could be deemed to create a conflict of interest to the extent it creates an incentive for the Adviser to rely on external research in place of hiring an additional Adviser-compensated employee.

The types of research and brokerage services we receive under our soft dollar arrangement include, but are not limited to, Bloomberg, quantitative and technical analysis and exchange fees. The availability of external research could also influence our selection of brokers and lead us to pay higher commission rates to research-providing brokers than the rates available from execution-only brokers, all in the manner we describe under best execution above.

Hawkeye does not currently participate in any directed brokerage arrangements and does not select brokers based upon client referrals.

Because we manage the portfolio through a single account maintained by the master fund, we do not have multiple accounts from which to aggregate orders or allocate trades. In the event that we manage additional accounts in the future, we will evaluate and adopt appropriate procedures with respect to aggregation and allocation.

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

#### **Reviews**

Portfolio reviews are primarily conducted by the Managing Member on a daily basis. The investment team, consisting of the Managing Member and investment analysts continuously review investments in the portfolio to ensure that its investments are consistent with the investment objectives, philosophy, strategy and methodologies that we have described to investors in our offering documents and to ensure that they are comfortable with the general levels of investment, position concentration and other measures of risk and potential reward in the portfolio.

#### **Reporting**

Monthly capital statements are sent to each investor by the Fund Administrator summarizing the investor's individual performance. In addition, a monthly estimated Fund performance update is provided to those investors who request it.

On a quarterly basis, Hawkeye provides each investor with a quarterly investor letter that includes performance information, commentary, investment and organizational updates.

On an annual basis, each investor receives a copy of the applicable Fund's audited financial statements prepared by the independent auditors and tax reporting information. Hawkeye also provides additional information as requested by our investors provided that such requests are deemed reasonable in content and scope and that Hawkeye is prepared to supply the same level of information to other investors who may ask for similar information.

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

Hawkeye currently does not have any arrangements in place to compensate third parties for client referrals.

### **Item 15: Custody**

Hawkeye does not maintain physical possession of client cash and/or securities. However, as the investment manager and the General Partner for each of the Funds, Hawkeye does have access to cash and securities in the Funds, along with the authority to perform various acts that may be deemed to result in custody, as defined under Rule 206(4)-2 of the Advisers Act.

Consistent with the requirements under the Advisers Act, the assets of the Funds are held in accounts maintained with our prime brokers, who are "qualified custodians" within the meaning of the Advisers Act. Our prime brokers are registered broker-dealers that hold Fund assets in

separate accounts (or in a separate customer account with records identifying the assets of the Funds in accordance with applicable broker-dealer and custodial bank regulation).

Securities are maintained at the prime brokers and cash is kept at the prime brokers in the Funds' bank accounts which are administered by the Funds' administrator. The third-party administrator oversees all cash transfers into and out of the Funds.

The financial statements of the Funds are audited annually (in accordance with GAAP) by Grant Thornton LLP, an independent public accounting firm that is registered with, and subject to regular inspection by, the PCAOB (the Public Company Accounting Oversight Board). Copies of the audited financial statements are independently distributed to each investor within 120 days of the Funds' fiscal year end.

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

Hawkeye has full discretionary authority over all assets it manages for the Funds, consistent with the investment objectives and strategy described in each Fund's confidential private offering memoranda and subject to any restrictions from time to time communicated by the Funds or otherwise set forth in such private offering memoranda. This discretionary authority is conferred on Hawkeye as set forth in the relevant Fund's limited partnership agreement and as provided in the power of attorney executed by investors in connection with their initial investment in the Funds. Hawkeye does not provide advisory services directly to investors in the Funds.

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

Hawkeye has proxy voting authority with respect to the managed portfolio. In accordance with Rule 206(4)-6, we have adopted policies and procedures which are reasonably designed to ensure that proxies are voted in the best interests of our Funds/investors, to include addressing any material conflicts of interest, disclosure, and maintenance of books and records related to proxy voting.

The objective of Hawkeye's proxy voting policy is to seek to enhance the value of the security or to reduce potential for a decline in the security's value. As a general rule, Hawkeye will vote against actions that reduce the rights or options of shareholders, reduce shareholder influence over the board of directors and management, reduce the alignment of interests between management and shareholders, or reduce the value of shareholders' investments, unless balanced by a reasonable increase in net worth of the shareholding. Where appropriate, Hawkeye will also use voting powers to influence companies to adopt generally accepted best corporate governance practices in areas such as board composition, disclosure policies and the other areas of recommended corporate governance practice.

Hawkeye will use reasonable efforts to determine whether a potential conflict may exist with respect to voting proxies. Hawkeye is sensitive to conflicts of interest that may arise in the proxy decision-making process, and management has identified various potential conflicts as part of our policies and procedures. Materiality determinations will be based on an assessment of the particular facts



and circumstances and in consultation with outside legal counsel. One or more of the following methods may be used to resolve a conflict, should one arise:

- In the case of a conflict of interest resulting from a particular employee's personal relationships, removing such employee from the decision-making process with respect to such proxy vote; or
- Any other method as is deemed appropriate under the particular facts and circumstances, given the nature of the conflict.

A copy of our Proxy Voting Policy and Procedures, as well as information related to how proxies were voted, may be obtained by phoning 212.265.0565.

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

Registered investment advisers are required to provide you with certain financial information or disclosures about Hawkeye's financial condition. Hawkeye has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.