

# **Newtyn Management, LLC**

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March 29, 2019

This Brochure provides information about the qualifications and business practices of Newtyn Management, LLC (“Newtyn”). Newtyn is an SEC registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

This document is not an advertisement, an offer to sell or the solicitation of an offer to purchase interests in any fund managed by Newtyn. Offers to invest in any such interests may be made only pursuant to appropriate offering documents. Investors must be qualified and approved prior to investing.

If you have any questions about the contents of this Brochure, please contact us at (212) 446-2460 or [compliance@newtyn.com](mailto:compliance@newtyn.com). 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 Newtyn is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

The Firm's last brochure was filed on March 29, 2019 and there are no material changes in this filing.

Newtyn will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, the Brochure may be requested by contacting Newtyn's Chief Compliance Officer at (212) 446-2460 or by email at [compliance@newtyn.com](mailto:compliance@newtyn.com).

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## Item 4: Advisory Business

Newtyn, established in 2011, provides investment management services on a discretionary basis only to its clients which are pooled investment vehicles intended for sophisticated investors and institutional investors.

The principal owners of Newtyn are Noah Levy and Eugene Dozortsev, also referred to as managing members.

Newtyn is the investment manager for Newtyn Partners, LP (a Delaware Limited Partnership) and Newtyn TE Partners, LP (a Delaware Limited Partnership) hereinafter referred to as “Funds or Newtyn Funds” throughout this Brochure. “Investor” refers to any person or entity that is a limited partner in any of the above referenced Funds. An Investor has no ability to restrict the types of investments that Newtyn may make. However, Investors do have the right to elect, when investing in the Funds, whether or not they wish to participate in “Designated Investments”, as defined in the offering memorandum.

As of December 31, 2018 regulatory assets under management were approximately \$1,226,398,000.

This brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. If offered, the securities of the Newtyn Funds are offered and sold on a private placement basis under exemptions promulgated under the U.S. Securities Act of 1933, as amended, and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made. Investors in the Newtyn Funds generally must be both “accredited investors,” as defined in Regulation D promulgated under the U.S. Securities Act of 1933, as amended, and/or “qualified purchasers, as defined in the U.S. Investment Company Act of 1940, as amended. Persons reviewing this brochure should not construe this as an offer to sell or solicitation of an offer to buy the securities of any of the Newtyn Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum or similar offering document.

## Item 5: Fees and Compensation

### Management Fees

Newtyn receives fees for investment management services based on a percentage of assets under management and as disclosed in the respective Fund offering documents and investment management agreements. Management fees generally range from 0% to 1.5% per annum, and typically are payable and deducted from the assets of each Fund monthly in advance. Management fees for the Funds are calculated by a third party administrator and deducted from each Investor’s capital account.

Newtyn has discretion to waive or reduce the management fee with respect to the capital accounts of one or more Investors without notifying the other Investors and without reducing the management fee with respect to the capital accounts of the other Investors.

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## **Other Fees**

The Funds shall bear all of their operating expenses, which expenses shall include all costs and expenses relating to the Funds' activities and operations (to the extent not reimbursed in connection with an investment), including, without limitation, all fees, costs and expenses associated with the financing, sourcing, acquiring, holding, hedging and disposing of its investments or proposed investments (such as custodial fees, brokerage fees, commissions, consulting services, and due diligence, as well as all fees, expenses, interest payments and principal payments due to any legal, financial, accounting, consulting, or other advisors (including, without limitation, any expenses attributable to the activities of the administrator), or any lenders, investment banks and other financing sources in connection with the financing, sourcing, acquiring, holding, hedging and disposing of Fund investments or proposed Fund investments), all entity-level taxes, fees or other governmental charges, the costs of any insurance (including, without limitation, directors and officers insurance, if any), expenses incurred in the collection of monies owed to the Funds, the management fee, legal, auditing, consulting, research, and accounting fees and expenses (including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedules K-1, if any), extraordinary expenses (including, without limitation, litigation-related and indemnification expenses including indemnification obligations and the costs of any reporting to Investors).

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

No supervised person of Newtyn accepts compensation for the sale of securities or other investment products, including interests in the Funds.

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

Newtyn Capital Partners, LP, the General Partner of the Funds, receives an annual performance allocation from its Investors at the end of each fiscal year equal to 20% of the net capital appreciation credited to each Class A and Class B Investor and 17.5% of the net capital appreciation credited to each Class C Investor, each subject to a high water mark.

The General Partner has discretion to waive or reduce the performance allocation with respect to the capital accounts of one or more Investors without notifying the other Investors or without reducing the performance allocation with respect to the capital accounts of the other Investors.

Newtyn structures any performance or incentive fee 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 or fees, Newtyn shall include realized and unrealized capital gains and losses.

Newtyn recognizes that these types of arrangements may create an incentive to recommend investments which may be riskier or more speculative than those which would be recommended under a different arrangement. Newtyn recognizes that such arrangements also create an incentive to favor higher incentive paying accounts over other accounts in the allocation of investment opportunities. Newtyn recognizes that such incentive arrangements create an incentive to favor accounts for which the managing members have greater personal capital investments. In order to address these potential conflicts, Newtyn has developed and implemented the appropriate policies and procedures (*e.g.* trade allocation) to ensure that all clients are treated fairly and equally.

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

Newtyn provides portfolio management services to private investment funds. A minimum investment of \$1,000,000 is generally required to invest in any of the private funds, with additional capital contributions equal to at least \$250,000. However, Newtyn has discretion to waive or reduce the minimum investment for one or more Investors (or prospective Investors) as long as they qualify to invest based on all other suitability and regulatory requirements.

Newtyn may decline to accept an investment even if the proposed Investor satisfies such suitability and regulatory requirements. Newtyn has discretion to accept additional capital contributions in different amounts from one or more Investors without notifying the other Investors.

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

The Funds' investment objective is to seek higher-than-average appreciation in the value of the Funds' assets, relative to the level of risk, by strategically investing and trading primarily in public company securities, with certain limited trading in futures, swaps and other derivatives. The Funds will pursue their objective by carefully selecting securities for purchase and by managing the portfolio's overall degree of market exposure. The Funds may hold both long and short positions in its chosen investments and may employ leverage at such times and subject to such terms and conditions as Newtyn may determine.

The Funds' focus will be on investment selection rather than market timing. The Funds' net long position is expected to have low market exposure, reflecting the risk-averse nature of Newtyn's style. The Funds may, nonetheless, maintain a net long or short position, at the sole discretion of Newtyn. The exposure at any time will be idea-driven; i.e., gross exposure will be higher when Newtyn finds more attractive opportunities and lower when there are fewer opportunities.

Newtyn believes that from time to time the securities markets misprice certain "special situations," which therefore offer unusual profit opportunities. The term "special situations" can refer to any number of opportunities including spin-offs, post-bankruptcy reorganizations, demutualizations, privatizations, index deletions, rights offerings, and unusual corporate structures. Though the Funds will primarily focus on "special situations," the Funds will also invest in other securities that do not fall into any of the above categories.

The Funds' investment strategy is designed to exploit relative inefficiencies through independent research of selected securities. This strategy is heavily dependent upon extensive analysis of all primary company and industry documents as well as utilizing third-party research. This focus is complemented by communications and meetings with company executives, vendors, customers and competitors. In addition, the Funds monitor management compensation, insider transactions and ownership.

While the Funds intend to invest primarily in public company securities, with certain limited trading in futures, swaps and other derivatives, the Funds may express their investment strategy via investments in other securities, instruments, or interests of every type and description.

Investing in securities involves the risk of loss which investors should be prepared to bear. Below are certain relevant risk factors:

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## **Highly Volatile Markets**

During the last several years, the financial markets have evidenced a high level of volatility. Continued volatility could disrupt the investment strategy of the Funds, decrease the value of the Funds' portfolio, and impact its profitability adversely. If Newtyn's evaluation of an investment opportunity should prove incorrect, the Funds could experience losses as a result of a decline in the market value of securities in which the Funds hold a long position or an increase in the value of securities in which the Funds hold a short position. The risk management techniques that may be utilized by Newtyn will not provide any assurance that the Funds will not be exposed to a risk of significant investment losses. The Funds' investment programs may utilize such investment techniques as margin transactions, short sales, swaps, foreign exchange forwards, leverage, and options on securities (subject to applicable regulatory requirements), which practices can, in certain circumstances, increase the adverse impact to which the Funds may be subject. The timing of such adverse impacts cannot be predicted and may result in substantial volatility in the performance of the Funds.

## **Leverage**

The Funds may use leverage in the course of their investment activities. The Funds may leverage their investment positions by borrowing funds from securities broker-dealers, banks, or others. In addition to this use of leverage by the Funds, the Funds are expected to use leverage in varying degrees to acquire their underlying investments.

Leverage increases both the possibilities for profit and the risk of loss. While Newtyn may attempt to limit borrowings based on circumstances as these may change from time to time, at times the Funds may hold a large amount of debt. The Funds generally may borrow from securities brokers and dealers and such borrowings typically will be secured by their securities holdings and other assets. Under certain circumstances and applicable federal laws that limit the amount of borrowings that may be secured by securities, a broker-dealer may seek or be forced to demand an increase in the collateral that secures the obligations of the Funds. If the Funds are unable to deposit additional collateral, the broker-dealer may elect, or be forced to, liquidate assets to satisfy the obligation to the broker-dealer and applicable margin regulations. The amount of borrowings by the Funds and the interest rates on such borrowings, which may fluctuate, could have a significant effect on the Funds' profitability.

## **Short Sales**

A short sale involves the sale of a security that is not owned 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 short seller must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the short seller. When the Funds make a short sale in the United States, they must leave the proceeds thereof with the broker and it also must deposit with the broker an amount of cash or U.S. government securities or other securities sufficient under current margin regulations to collateralize the obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions are governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security and the possibility of incurring a substantial loss in covering the short sale. In addition, short sellers are subject to the risk of a "short squeeze." A short squeeze is a situation in which the short seller is prematurely forced out of a short position. The lender of a security used to cover a short generally has the right to demand the return of the stock that has been loaned at any time. In such event, the Funds would be required to replace the borrowed securities by borrowing the securities from another lender. It generally is more difficult to find securities that can be borrowed in the case of micro-cap and small-cap issuers. If the Funds were unable to replace the borrowed securities, it would be required to close out the short sale by buying the security in the market in order to make delivery. In such event, the Funds could incur a significant loss if the security sold short had increased in value. In addition,

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the Funds also could be forced to close out a short sale prematurely as a result of an increase in margin requirements, coupled with an inability to provide the required additional margin on short notice.

## **Illiquidity**

The investments made by the Funds may be illiquid and, consequently, the Funds may not be able to sell such investments at prices that reflect Newtyn's assessment of the value or the amount paid for such investments by the Funds. The Funds' partnership agreements authorizes Newtyn to make distributions in kind of securities in lieu of or in addition to cash. In the event that Newtyn makes distributions of securities in kind, such securities could be illiquid or subject to legal, contractual, and other restrictions on transfer.

## **Derivatives**

Derivative instruments, or "derivatives," include futures, options, 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, currencies, or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, currency, or index at a fraction of the cost of investing in the underlying asset. The value of a derivative 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 can not only result in the loss of the entire investment, but may also expose the Funds to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with which the Funds contract for the purpose of making derivative investments. In the event of the counterparty's default, the Funds would rank merely as an unsecured creditor and would risk the loss of all or a portion of the amounts it is contractually entitled to receive.

## **Concentration**

A significant portion of the Funds' investments may be concentrated in only a few securities, industries, countries or geographic regions. This concentration may cause a proportionately greater loss than if the Funds' investments were more diversified.

## **Turnover**

The Funds may invest on the basis of certain short-term market considerations. The turnover rate within the Funds' investments may be significant, potentially involving substantial brokerage commissions and fees.

## **Foreign Investments**

The Funds invest outside the U.S. or in securities denominated in non-U.S. currencies. Such investments pose currency exchange risks (including blockage, devaluation and non-exchangeability) as well as a range of other potential risks that may include expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding non-U.S. companies which may not be subject to accounting, auditing and financial reporting standards and



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requirements comparable to or as uniform as those applicable to U.S. companies. Further, foreign securities markets may not be as liquid as U.S. markets. Transaction costs of investing outside the U.S. are generally higher than in the U.S. Higher costs result because of the cost of converting a foreign currency to dollars, the payment of fixed brokerage commissions on some foreign exchanges and the imposition of transfer taxes or transaction charges by foreign exchanges. Less government supervision and regulation of exchanges, brokers and issuers generally exists abroad than in the U.S., and it is more difficult to take appropriate legal action in non-U.S. courts. In addition, non-U.S. markets have different clearance and settlement procedures from U.S. markets. Some foreign markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Funds' performance.

### **Reliability of Valuations**

As a general matter, securities that are illiquid (including, but not limited to, Designated Investments), not traded on an exchange or in an established market, or for which no value can be readily determined will be assigned such fair value as Newtyn may determine in its judgment based on various factors. Factors used to make valuations generally include, but are not limited to, aggregate dealer quotations, discounted projected cash flows or independent appraisals. Such valuations may not be indicative of what actual fair market value would be in an active, liquid or established market. Even where a security is subject to active trading in a market for which current quotation and last-sale reports are readily available, such reports often relate to small quantities of a given security and possibly may not provide accurate information about the market for a larger quantity of such securities or securities subject to transfer restrictions. Furthermore, if the Funds purchase or sell a security on a date close to the valuation date for that security, the quotation and last sale price may be substantially affected.

### **Dependence on Key Individuals**

The success of the Newtyn Funds depends upon the ability of the managing members and the Newtyn investment team to develop and implement investment strategies that achieve the Newtyn Funds' investment objectives. If Newtyn were to lose the services of the managing members, the consequences to the Newtyn Funds would be material and adverse and could lead to premature termination of the Newtyn Funds.

The information provided with respect to this item is not intended to be a summary of all the risks associated with an investment in the Funds, but rather some of the more specific risks associated with the strategy and the types of securities in which Newtyn typically invest. Investors should refer to the Fund offering documents for an expanded description of the investment strategy and risks.

### **Cybersecurity Risk**

Newtyn, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a fund and its investors, despite the efforts of Newtyn and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to such fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Newtyn, the Funds' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of our systems to disclose sensitive information in order to gain access to our data or that of the Funds' investors. A successful penetration or circumvention of the security of our systems could

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result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds' or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

## **Item 9: Disciplinary Information**

Newtyn has no legal or disciplinary events to report that would impact the evaluation of a client or prospective client (or Investor) of Newtyn's advisory business or the integrity of management.

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

### **Newtyn Entities: Description of Relationships**

Newtyn Capital Partners, LP is the General Partner of the Funds, Newtyn Partners, LP and Newtyn TE Partners, LP and an affiliate of the Investment Advisor (Newtyn). Newtyn Capital Partners, LP and Newtyn are both controlled by Noah Levy and Eugene Dozortsev. Noah Levy acts as the portfolio manager and is responsible for trading on behalf of all Funds.

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

Newtyn has adopted a Code of Ethics 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. Employees may transact in mutual funds, futures contracts, options on futures contracts and exchange traded funds. In addition, subject to advance approval by the Chief Compliance Officer ("CCO") and a managing member, employees may participate in proprietary subscription rights. The Funds may hold the same rights or purchase the same shares in the aftermarket. Should this be the case, the employee's ability to transact in the security will, in all cases, be subordinate to that of the Funds. In certain circumstances, subject to advance approval by the CCO and a managing member, employees may be permitted to transact in private placements or limited offerings. All other transactions, primarily investments in single name securities, are prohibited. Transactions are reported to the CCO in accordance with the reporting requirements outlined in the Code and personal trading is monitored in order to reasonably prevent conflicts of interest between Newtyn and its clients.

A copy of the Code of Ethics may be obtained by sending an email to [compliance@newtyn.com](mailto:compliance@newtyn.com) or by phoning us at (212) 446-2460.

### **Principal and Cross Transactions**

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own

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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. Newtyn does not have a registered or affiliated broker-dealer.

Except in rare circumstances and only acting when in the best interests of the clients, it is Newtyn's policy not to engage in any principal or agency cross securities transactions for client accounts.

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

Newtyn has discretion over which 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. When selecting brokers, banks and dealers to effect transactions, Newtyn 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 by such brokers, banks and dealers. Transactions are generally allocated to brokers on the basis of best available execution, in consideration of brokerage commissions and/or research services, all of which are intended to the benefit the Funds.

Newtyn may invest in illiquid securities or investments, limiting the broker-dealers with whom the Funds may deal.

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

Newtyn does not currently utilize any soft-dollar arrangements or maintain commitments with any broker-dealers to obtain any research or research-related services or products on a soft-dollar basis. However, Newtyn may receive research or brokerage services that are incidental to its trading activities on behalf of a Newtyn Fund. If at such time Newtyn determines to enter into soft dollar arrangements, the receipt will be in compliance with Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended.

#### **Trade Allocation and Aggregation**

Newtyn may, for a number of reasons, aggregate brokerage orders for the Funds rather than execute individual transactions for each account. Some of these reasons include: (1) obtaining lower commission rates; (2) avoiding the time and expense of simultaneously entering similar orders for the Funds which are managed similarly; (3) ensuring that the Funds obtain the same execution to minimize differences in performance; and (4) obtaining a better execution price even though the commission rate may be higher than the lowest rate otherwise available.

Consistent with Newtyn's obligation to seek best execution, Newtyn aggregates the Funds' orders whenever possible. Newtyn has developed procedures to ensure that purchase and/or sell orders which have been aggregated are fairly allocated so that, over time, the Funds are treated fairly and consistent with their investment objectives.

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An order filled through a series of executions through the same broker on the same terms (e.g., market or limit order) on the same day is generally allocated using an average price.

Preliminary allocations are made before execution. As a general policy, the allocation is finalized no later than the close of business on trade date. When an aggregated order is filled in its entirety, the order is allocated to the Funds in accordance with the preliminary allocation schedule. When an aggregated order is only partially filled, the order will generally be allocated between the Funds on an objective basis. Orders will be allocated in accordance with the established policies and procedures and the Funds' investment objective which may include tax considerations.

The Funds are managed on a “pari-passu” basis with the intent of creating pro rata allocations in similar securities based upon a percentage of assets under management. However, position weighting may vary over time due to capital flows of the Funds and/or the investment limitations and restrictions applicable to certain Funds that may limit Newtyn’s ability to purchase and sell securities to maintain certain security weighting or position sizes. In cases in which the Funds invest in the same securities, certain Fund’s investments will likely not be made at the same time and in some cases may be at prices higher than those paid by other Funds which could possibly result in lower investment returns from such investments. It is unlikely that the performance of each Fund will be identical.

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

### **Reviews**

Portfolio reviews are primarily conducted by the portfolio manager on a daily basis. Reviews include an analysis of position sizing based on fundamental developments related to portfolio investments.

### **Reporting**

Monthly Investors receive a capital statement from the administrator summarizing their individual performance. Newtyn also provides each Investor with a monthly performance estimate.

On a quarterly basis, Newtyn provides each investor with a “quarterly investor letter” that includes performance information, commentary, investment updates and organizational updates and an unaudited financial statement.

On an annual basis, each investor receives within 120 days of the Fund’s fiscal year end a copy of the Funds' audited financial statements prepared by the independent auditors and necessary information for the preparation of income tax returns.

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

Newtyn does not engage or compensate third party referral agents to solicit new investors. In the event this changes any cash payments to solicitors will be made by Newtyn in accordance with Rule 206(4)-3 under the Advisers Act.

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## **Item 15: Custody**

Newtyn does not maintain physical possession of client cash and/or securities. However, the managing members of Newtyn also serve as the managing members to the General Partner of the Funds' General Partner. As a consequence, Newtyn 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.

Securities and cash are maintained at qualified custodians. The administrator has been engaged to oversee all cash transfers into and out of the Funds in order to provide independent oversight.

The financial statements of the private Funds are audited annually (in accordance with accounting principles generally accepted in the United States) by EisnerAmper, LLP, an independent public accounting firm that is registered with, and subject to regular inspection by, the PCAOB (the Public Accounting Oversight Board).

Copies of the audited financial statements are provided to each Investor as soon as practicable after the Funds' fiscal year end, but in any event within 120 days of its fiscal year end.

## **Item 16: Investment Discretion**

Newtyn receives discretionary authority from the outset of its advisory relationship with each Fund to select the identity and amount of securities to be bought or sold for its portfolio from the Funds pursuant to an investment management agreement entered into at the outset of an advisory relationship. In all cases, discretion is exercised in a manner consistent with the stated investment objectives and the Offering Memorandum for the particular Fund. Investors have no ability to request or direct a change in the stated investment objectives and guidelines for the Fund in which they invest. Investors, upon execution of the subscription documents and Limited Partnership Agreement, agree to be bound by the Funds' Limited Partnership Agreement and each Investor is admitted as a Limited Partner into the Fund.

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

Newtyn has the authority to vote proxies for securities held in the Funds' portfolio. Newtyn's proxy voting policy was adopted in accordance with SEC Rule 206(4)-6 of the Adviser's Act and calls for it to exercise its duty of care and loyalty to its Investors when it votes proxies. Non-routine matters will be voted on a case-by-case basis, given the complexity of many of these issues.

Investors in the Funds may not direct Newtyn's vote in any proxy solicitation.

All conflicts of interest between Newtyn and the Funds that may arise in regard to a particular proxy will be resolved in favor of the Funds.

Investors may obtain a copy of Newtyn's complete proxy voting policies and procedures upon request. Investors may also obtain information from Newtyn about how it voted particular proxies on behalf of the Fund in which they are invested. Please contact Newtyn at (212) 446-2460 or via email at [compliance@newtyn.com](mailto:compliance@newtyn.com) for such information.

## **Item 18: Financial Information**

Registered investment advisers are required to provide certain financial information or disclosures about Newtyn's financial condition. Newtyn 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.

## **Item 19: Other Business Related Disclosures**

### **Valuation**

Newtyn has adopted policies and procedures to comply with its fiduciary obligation to accurately value the Funds' portfolios. The Net Asset Value of the Funds is calculated by the administrator. The valuation of the open portfolio securities in determining Net Asset Value is initially conducted by the administrator in accordance with agreed upon pricing guidelines and subject to Newtyn's ultimate authority. As investment adviser, Newtyn monitors valuation on an ongoing basis, provides as-needed assistance to the administrator in the valuation of hard to value securities, and retains ultimate authority over the valuation of securities. Further information with respect to Newtyn's Valuation Policy may be obtained by sending an email to [compliance@newtyn.com](mailto:compliance@newtyn.com).

## **Newtyn Management, LLC**

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Noah Levy

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March 29, 2019

This Brochure Supplement provides information about Noah Levy that supplements the Brochure for Newtyn Management, LLC (Newtyn), a copy of which you should have received. Please contact Nazim Ally, CFO/CCO of Newtyn, if you did not receive the Brochure or if you have any questions about the contents of this supplement.

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## **Educational Background and Business Experience**

**Noah G. Levy:** Born June 24, 1977

### **Education**

Dartmouth College with a B.A. in Economics (2000)

### **Business Background**

Mr. Levy has been a managing member and Portfolio Manager of Newtyn Management, LLC, a firm he co-founded, since its inception in July 2011. Previously, he was a Senior Member at Tyndall Management, LLC, where he worked since February 2002. Prior to that, Mr. Levy was an Investment Banking Analyst in the Financial Institutions Group at Goldman Sachs.

## **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Mr. Levy has no information applicable to this item.

## **Other Business Activities**

Mr. Levy has no information applicable to this item.

## **Additional Compensation**

Mr. Levy has no information to report applicable to this item.

## **Supervision**

Newtyn is a small firm with two principal owners/managing members. Mr. Levy works closely with Eugene Dozortsev (the other managing member) in providing all investment management services to the Funds. Ultimately, Mr. Levy is responsible for all investment decisions. However, most investment decisions are collaborative and include both managing members and one or more analyst. Analysts provide information to support investment decision making, but do not, however, make investment decisions.



Eugene Dozortsev

**Newtyn Management, LLC**

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This Brochure Supplement provides information about Eugene Dozortsev that supplements the Brochure for Newtyn Management, LLC (Newtyn), a copy of which you should have received. Please contact Nazim Ally, CFO/CCO of Newtyn, if you did not receive the Brochure or if you have any questions about the contents of this supplement.

# Newtyn Management, LLC

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## **Educational Background and Business Experience**

**Eugene Dozortsev:** Born March 14, 1984

### **Education**

NYU Stern School of Business with a B.S. in Finance (2005)

### **Business Background**

Mr. Dozortsev has been a managing member of Newtyn Management, LLC, a firm he co-founded, since its inception in July 2011. Previously, he was a Senior Analyst at Tyndall Management, LLC, where he worked since February 2003.

## **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Mr. Dozortsev has no information applicable to this item.

## **Other Business Activities**

Mr. Dozortsev has no information applicable to this item.

## **Additional Compensation**

Mr. Dozortsev has no information to report applicable to this item.

## **Supervision**

Newtyn is a small firm with two principal owners/managing members. Mr. Dozortsev works closely with Noah Levy (the other managing member) in providing all investment management services to the Funds. Ultimately Mr. Levy is responsible for all investment decisions. However, most investment decisions are collaborative and include both managing members and one or more analyst. Analysts provide information to support investment decision making, but do not, however, make investment decisions.