

# **INCLINE GLOBAL MANAGEMENT, LLC**

## **Part 2A of Form ADV**

### **The Brochure**

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March 2019

This brochure provides information about the qualifications and business practices of Incline Global Management, LLC (“Incline Global” or the “Company”). If you have any questions about the contents of this brochure, please contact us at (212) 488-2910. 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 Incline Global is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT INCLINE GLOBAL OR ANY PRINCIPALS OR EMPLOYEES OF INCLINE GLOBAL POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

## **Material Changes**

Since the previous update dated March 2018, there have been no material changes to Incline Global's business. However, we still encourage everyone to read this Form ADV Part 2A in its entirety.

Incline Global's complete Firm Brochure is always available upon request by contacting Michael Zucaro Chief Financial Officer and Chief Compliance Officer at (212) 488-2910, or by emailing at [Mike@inclineglobal.com](mailto:Mike@inclineglobal.com).

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## **Advisory Business**

Incline Global is a Delaware Limited Liability Company formed in 2001 by Jeff Lignelli (“Principal”). Prior to January 9, 2012, Incline Global was known as Stonebrook Fund Management, LLC. In May 2012, the Company registered with the SEC as an investment adviser. As of December 31, 2018, Incline Global managed over \$600 million on a discretionary basis.

Incline Global provides investment advice to two pooled investment vehicles: Incline Global Master LP and Incline Global ELS LP (“Funds” or “the Funds”) and provides sub-advisory services to managed accounts for unaffiliated investment advisors (“Managed Accounts” and together with the Funds, “Clients”). The Funds trade in primarily long/short equity securities and, when the markets present it, opportunistic credit. For Managed Accounts, wherein Incline Global serves as sub-advisor for unaffiliated investment advisors, Incline Global trades primarily in long/short equity securities and, when the markets present it, opportunistic credit.

Incline Global is also a sub-adviser to two ‘40 Act Funds which are managed by Investment Advisors registered under the Investment Company Act of 1940 (“‘40 Act”) and both trade pari passu. The ‘40 Act funds seek to achieve long-term capital appreciation by allocating its assets to multiple subadvisors that employ investment strategies focused on taking long and short positions in global securities. Lastly, Incline Global serves as an investment sub-advisor for a UCITS fund, organized as an open-ended umbrella Irish collective asset-management vehicle. The UCITS fund invests primarily in long and short positions in global securities with a focus on U.S. investment strategies.

Information about the Funds included in this brochure is qualified in its entirety by information in the Fund’s confidential private placement memorandums, investment management agreements, limited partnership agreements, and other governing documents (the “Governing Documents”). Investors and prospective investors in the Funds should refer to the Governing Documents for complete information on the investment objectives and investment restrictions with respect to the Funds. There is no assurance that any of the Funds’ investment objectives will be achieved. This brochure is designed solely to provide information about Incline Global and should not be considered to be an offer of interests in any Incline Global Funds. Any such offer may be made only by delivery to the prospective investor of the Governing Documents of the relevant Fund under consideration.

Incline Global currently provides advice to Clients, but reserves the right to provide advice to other types of clients. Any other client accounts would be managed in accordance with the client’s stated investment strategies, objectives, restrictions, and any other agreed upon guidelines.

## **Fees and Compensation**

All investors and potential investors should review the Governing Documents for the Funds in conjunction with this brochure for more complete information on the fees and compensation payable with respect to the Funds.

Incline Global and its affiliate, the Funds’ general partner, Incline Global Associates, LLC (the “General Partner”); receive an annual management fee equal to or up to 1.75% of assets under management, and an annual performance allocation of up to 20% of net profits. Management fees are generally collected monthly in advance, while incentive allocations are generally assessed annually and are subject to each investor’s respective high-water mark. Incline Global debits management fees directly from the Fund’s custodial accounts, and any incentive allocations are assessed directly against investors’ capital account balances; investors are not invoiced for the Company’s services. The annual management and other fees

described above are generally subject to waiver or reduction by Incline Global in its sole discretion with certain investors.

In addition to management fees and incentive allocations, investors in the Funds bear a variety of other expenses, including Funds formation expenses; research and due diligence, including travel-related expenses associated with research and due diligence such as airfare, hotel accommodations, train tickets; quotation and valuation services; underwriting and private placements; order management software; brokerage commissions; transactions costs; trade settlement; interest; custody fees; accounting; audit and legal expenses (some of which may be related to Incline Global in connection with investment advice provided to the Funds); directors costs; costs of any litigation or investigation and costs associated with reporting; liability insurance; and any costs of providing information to existing and prospective investors. Investors bear technology and communication expenses related to research.

The allocation of these costs to the Funds, rather than to Incline Global, creates a conflict of interest for Incline Global. Expense allocation practices differ for various investment advisers and private fund complexes, and in some cases expenses that are the same or similar to those listed above may be borne by a private fund complex's investment adviser. The Funds do not reimburse Incline Global or the General Partner for other general overhead costs.

Incline Global or the Funds may enter into separate agreements, including "side letters," with certain investors or Clients to waive certain terms or to allow such investors to invest on terms different than those specifically described in the Fund's Governing Documents. The side letters may waive or change terms including annual management fees, performance allocation and limit the investor's payment of Fund expenses, described above. These agreements create preferences or priorities for investors with side letters relative to other investors in a Fund.

Investors should review the Fund's Governing Documents for more detailed information about the expenses borne by the Funds.

## **Performance Based Fees and Side-by-Side Management**

See discussion of performance-based fees in the *Fees and Compensation* section above.

Incline Global has an incentive to favor higher fee-paying Client accounts, which frequently include those that pay performance-based compensation, over other accounts. Incline Global has a conflict of interest when one fee structure causes higher fees to Incline Global than the other fee structure, because Incline Global has an incentive to favor the Client accounts that pay the higher fees. To address this conflict, Incline Global typically allocates all investment opportunities on a pro rata basis based on each Client account. In addition, Incline Global has processes to review Client account investment allocations on a regular basis.

Incentive allocations based on Client account performance could motivate Incline Global to invest assets aggressively. Although Incline Global will always seek to invest Client assets appropriately, investors in the Funds should nonetheless be aware of the potential conflicts of interest posed by incentive-based compensation.

## **Types of Clients**

Incline Global provides investment advisory services to the Funds. Investment advice is provided directly to the Funds and not individually to its investors. Investors in the Funds may include, but are not limited to, high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, endowments, foundations, and corporate or other business entities.

Details concerning applicable investor suitability criteria are set forth in the Funds' Governing Documents. Generally, investors must invest a minimum dollar amount of \$5,000,000; the General Partner of the Funds may waive the minimum investment amount. Each investor is required to meet certain suitability qualifications, such as being an "accredited investor" and "qualified purchaser" within the meaning set forth under the United States federal securities laws.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### *Methods of Analysis and Investment Strategies*

The investment objective of the Funds is to maximize absolute return over the long-term while minimizing the risk of capital loss. The Funds will pursue this objective by investing primarily in a portfolio of publicly traded global equity securities using an equity hedge fund structure. Certain Funds will also invest in credit opportunistically. Incline Global invests in global companies that trade primarily on developed market exchanges. Incline Global bases long and short equity selection on fundamental business and security analysis. The Company may also invest in other securities such as debt or options instead of common stock if it believes such securities may provide superior risk adjusted returns to the Client accounts. The Managed Account invests in certain specific long investments held by the Funds.

Incline Global identifies key macroeconomic, market, industry/secular, and company specific trends and themes and develops a macro top-down view of the investing environment. Incline Global intends to conduct detailed fundamental research on all investments. Incline Global makes investment decisions on a bottom-up basis based on careful fundamental analysis of issuers by conducting due diligence around securities. Incline Global expects its equity positions to trade at attractive price/earnings multiples and have solid free cash flow.

Incline Global's long investments are primarily companies it believes have a significant long-term return potential based on revenue and earnings growth that Incline Global believes are not reflected in the price of the company's equity or debt at the time of purchase. Some of the criteria Incline Global will look for are an attractive business model, good competitive landscape, high barriers to entry, strong management teams with financial interests aligned with shareholders, and strong free cash flow characteristics. Incline Global also seeks to invest in companies that are aligned with Incline Global's macro views and views of attractive sector themes. Incline Global employs valuation techniques when analyzing securities, including free cash flows, earnings per share, EBITDA and book value multiples to seek a proper range of valuation scenarios are reviewed in its analysis. On the short side, Incline Global seeks companies and baskets of securities in certain industries that it believes are subject to negative macro views, negative sector and industry themes, poor industry conditions, deteriorating supply/demand dynamics and increasing competition. Although the Funds invest primarily in public equity securities of global issuers, the Funds may utilize exchange traded instruments, invest in the credit markets and may invest in options and other securities.

The investment strategies summarized above represent Incline Global's current intentions, are general in nature and are not exhaustive. Incline Global may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above, as described in the Governing Documents. Depending on conditions and trends in securities and commodities markets and the economy generally, Incline Global may pursue any objectives or use any techniques that it considers appropriate and in Funds' interests.

### *Material Risks*

Investment and Trading Risks in General. All investments risk the loss of capital. No guarantee or representation is made that the Funds' investment program will be successful, and investment results may vary substantially over time. Prospective investors should give careful consideration to the following factors in evaluating the merits and suitability of an investment in the Funds.

Reliance on Key Person. The Funds investment performance will be substantially dependent on the services of the Principal. In the event of the death, disability, departure or insolvency of the Principal, or the complete transfer of the Principal's interest in Incline Global and the Fund, the Company and Clients may be adversely affected. The Principal will devote such time and effort as he deems necessary for the management and administration of the Fund business.

Short Sales. The Funds may enter into transactions, known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by the Funds that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Under adverse market conditions, the Funds might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

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 Fund to the possibility of a loss exceeding the original amount invested.

Foreign Securities. Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Fund are maintained) and the various foreign currencies in which the Fund's portfolio securities will be denominated and costs associated with conversion of investment Principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt. Incline Global attempts to hedge all non-USD denominated securities.

Leverage. Subject to applicable margin and other limitations, the Funds may borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the Fund's portfolio would be amplified. Interest on borrowings will be a portfolio expense of the Fund and will affect the operating results of the Funds (and thus the Funds). Also, the Fund could potentially create leverage via the use of instruments such as options and other derivative instruments.

**Default and Credit Risks.** The Funds credit investments involve the risk that the obligor either cannot or will not fulfill its obligations. In evaluating credit risk, Incline Global will generally attempt to reach conclusions regarding the obligor's assets, liabilities, income and prospects, its management, the priority of the Fund's claims against the obligor, the value of any collateral, the process for enforcing rights and realizing value from collateral and many other factors, each of which is likely to involve numerous assumptions and uncertainties. In addition, Incline Global will often be dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. As a result, there is no assurance that Incline Global will correctly evaluate the credit risks associated with its investments. Any actual default, or any circumstance that increases the possibility of a default, could have a material adverse effect on the Funds.

Investors should review the Fund's Governing Documents to understand the risks and potential conflicts of interest. However, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of the Funds.

## **Disciplinary Information**

Incline Global and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor's evaluation of the Company or its personnel.

## **Other Financial Industry Activities and Affiliations**

### *Registered Broker-Dealers*

No one at Incline Global is registered as a broker-dealer or a registered representative of a broker-dealer.

### *Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors*

No one at Incline Global is registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

### *Relationships with Related Persons*

The principal clients of Incline Global are currently the Funds, which are pooled investment vehicle exempt from registration under the Investment Company Act.

As discussed throughout, Incline Global and its related persons are, directly or indirectly, the General Partner, and limited partners of the Funds.

### *Selection or Recommendation of Other Advisers*

Incline Global does not recommend or select other investment advisers or receive compensation from such advisers in a manner that would create a material conflict of interest. Incline Global does not have other business relationships with other advisers that create a material conflict of interest.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

As an SEC registered investment adviser, Incline Global has adopted and implemented a written Code of Ethics ("Code" or "the Code") under Rule 204A-1 of the Investment Advisers Act of 1940 ("Advisers Act") that is applicable to all employees. Incline Global's Code describes its fiduciary duties and responsibilities to its clients and sets forth Incline Global's (i) policies on receipt of gifts by employees and campaign contributions and (ii) practices of reporting and monitoring the personal securities transactions of



supervised persons with access to client investment recommendations. Under Incline Global's Code, all supervised personnel have a duty to act only in the best interests of its Clients and all potential conflicts and violations of the Code must be promptly reported to Chief Compliance Officer ("CCO"). All supervised personnel must acknowledge their receipt and understanding of the terms of the Code annually, or as amended.

### *Code of Ethics*

The Code contains policies and procedures with respect to personal securities transactions by employees and related accounts that are designed to prevent front-running, scalping, the misuse of any material non-public inside information, and other improper activities. Employees must obtain the prior approval of the CCO for certain personal securities transactions and must report all personal transactions to the CCO on at least a quarterly basis. The CCO monitors all transactions by employees in order to identify any pattern of conduct that may evidence conflicts or potential conflicts with the principles and objectives of the Code, or other inappropriate behavior.

On occasion, Incline Global employees may transact in securities for themselves that they also recommend to Clients. Employees are not permitted to transact in exchange traded funds within one (1) calendar day before or after a Client transaction, nor within seven (7) calendar days before or after the Client's trade in other securities. Incline Global, its Principal and certain employees are investors in the Fund. The Code contains policies and procedures designed to prevent improper practices with respect to such transactions, and compliance with the Code by Incline Global, its Principal and employees, is the primary method employed to address the conflicts of interest that arise with respect to these transactions.

### *Statement on Insider Trading*

Incline Global and/or its employees may, from time to time, come into possession of material non-public or other confidential information which, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, Incline Global and its employees may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other third party. Accordingly, should Incline Global and/or its employees come into possession of material non-public or other confidential information with respect to any company, they may be prohibited from communicating such information to, or using such information for the benefit of, Incline Global's private funds and their underlying investors. Incline Global has adopted a Statement on Insider Trading ("Insider Trading Policy") in accordance with Section 204A under the Advisers Act, which establishes procedures to prevent the misuse of material non-public information by Incline Global and its employees.

A copy of Incline Global's Code of Ethics is available upon request by calling (212) 488-2910.

## **Brokerage Practices**

### *Best Execution Considerations*

Subject to the investment objectives, policies and restrictions of the Funds as set forth in the Funds Governing Documents, Incline Global has discretionary authority to determine the type, amount, and price of securities and investments to be bought and sold on behalf of each Fund, including the selection of, and commissions paid to, brokers. Incline Global considers a variety of factors in its selection of trading counterparties.

Incline Global seeks to trade with reputable counterparties. In addition to trading costs and listed prices, the Company periodically and systematically evaluates approved counterparties based on factors such as:

- The ability to execute large or difficult transactions;

- The brokers' or dealers' facilities;
- The ability to execute quickly when necessary;
- The ability to work orders when necessary;
- The ability to obtain locates for short sales;
- Efficiency of execution and error resolution;
- Willingness to execute related or unrelated difficult transactions in the future;
- Custody, recordkeeping and similar services
- The protection of Incline Global's proprietary trading information;
- Financial responsibility, regulation, and integrity;
- The frequency of trade errors; and
- The responsiveness to Incline Global during trading and settlement.

#### *The Receipt of Research and Other Soft Dollar Benefits*

In addition to the factors listed above, Incline Global receives products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation services), and this research may be a factor in the allocation of brokerage. Incline Global benefits from the research and services that it receives because the Company does not need to pay for or generate the research internally, and this benefit could incentivize Incline Global to select a counterparty based on its interest in receiving research rather than investor's interests in receiving the most favorable execution available.

Incline Global may cause a higher commission to be paid to a broker or dealer that furnishes research, services than might be charged by another broker or dealer for effecting the same transaction, provided that Incline Global determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker or dealer. Incline Global does not necessarily solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

Incline Global will only use soft dollars to obtain products and services that fall within the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended, for the use of commissions or "soft dollars" to obtain "research and execution" services.

Incline Global may use soft dollars to pay for a portion of "mixed use" items (products or services that include both safe harbor eligible research/brokerage elements and non-safe harbor eligible research/brokerage elements). When Incline Global acquires a particular product or service, it generally uses available soft dollar credits to pay for the portion of the product or service deemed to fall within the safe harbor and uses hard dollars to pay for the portion of the product or service that falls outside of the safe harbor. Although the allocation between soft dollars and cash is not always capable of precise calculation, Incline Global will make a good faith effort to allocate the cost of mixed-use items among soft and hard dollars reasonably. The determination as to the percentage of the cost of particular products and services that Incline Global will pay with soft dollars versus hard dollars does not involve a conflict of interest that would traditionally exist because Clients otherwise would incur hard dollar costs and expenses associated with brokerage and research-related products and services. As such, Incline Global does not have an incentive to inflate the percentage of the cost of a particular product or service that it believes falls under the category of "safe harbor eligible."

The generation and use of soft dollars to acquire brokerage and research-related products and services benefits Incline Global by allowing Incline Global, at no cost to it, to supplement its own research and analysis activities, to receive the views and information of individuals and research staff of other securities

firms, and to gain access to persons having special expertise on certain companies, industries, areas of the economy, and market factors.

Incline Global may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution. However, as mentioned above, the acquisition of products and services using soft dollars versus hard dollars does not involve a conflict of interest that would traditionally exist because the private funds otherwise would incur hard dollar costs and expenses associated with brokerage and research-related products and services.

#### *Trade Aggregation and Allocation*

Trading activities of Client accounts will overlap. While Client accounts invest in the same issuers, the purchase and sale of such investments may be at different times and upon different terms, based on each Fund's overall investment objectives and strategy, legal or regulatory concerns, and/or other relevant considerations.

When Incline Global purchases or sells securities of the same issuer at the same time for the Funds, Incline Global may submit an aggregated trade for execution if Incline Global believes that the use of an aggregated trade reasonably furthers its efforts to seek best execution. Participants in aggregated trades receive the average execution price and incur their pro rata share of the trading costs.

To the extent that partial fills occur, Incline Global will allocate the results of the partially completed trade pro rata between participating Funds based on the initial allocation instructions submitted for execution. Impacted accounts receive the average execution price and incur their pro rata share of the trading costs with respect to the partially completed trade.

#### *"New Issues"*

Incline Global allocates new issues of equity securities registered under the Securities Act ("new issues") in accordance with FINRA Rules 5130 and 5131. This may in certain circumstances limit or restrict particular clients or investors from participating in any profits and losses from new issues.

#### *Trade Errors*

While Incline Global takes the utmost care in making and implementing investment decisions on behalf of Clients, it may make an error while placing a trade for Clients. Incline Global attempts to minimize trade errors by promptly reconciling confirmations with trade tickets, and by reviewing past trade errors to understand the internal control breakdown that caused the errors. If Incline Global makes an error while placing a trade, the Company will seek to correct the error promptly in a way that mitigates any losses. The cost of errors will be borne by the Funds unless an error is the result of bad faith, gross negligence, or willful misconduct by Incline Global.

#### *Valuation of Client Assets*

Incline Global maintains a Valuation Policy whereas the Funds utilize the third-party Administrator as the primary pricing source for securities held by the Funds. The majorities of Fund's assets are highly liquid and are actively traded on major market exchanges daily. The Valuation Committee meets on a monthly basis to review the third-party Administrator's prices. In the event a security requires fair valuation, Incline Global's Valuation Committee will convene and establish a price based on a number of factors, which may include broker-dealer quotes; other third-party quotation providers; bids and asks on exchanges where the asset is traded; investment cost; prices obtained during subsequent financing events; discounted expected future cash flows; pricing formulas; prior trades; and/or pricing matrices, among other things.

## **Review of Accounts**

### *Review of Client Accounts*

The Funds are reviewed on a daily basis by Incline Global's Investment Team, including the Principal, analysts and trading staff. Additionally, the Funds are reviewed annually to assure conformity with the objectives and guidelines of such Fund's Governing Documents. Additional or focused reviews can be triggered by factors such as political and economic developments, corporate announcements, and changes in market conditions.

### *Reports to Clients*

Incline Global provides weekly and monthly performance estimates as well as month-end exposure reports to certain investors in the Funds. Through side letters and other arrangements, certain investors or Clients of Incline Global can be provided additional reports and estimates. Additionally, Incline Global provides a quarterly letter and organizes a quarterly call. Incline Global provides quarterly letters to investors in the Funds that usually describe the Fund's returns and positioning, as well as macroeconomic developments and analysis. The Fund's administrator also provides investors with monthly account statements. On an annual basis Incline Global arranges for investors to receive K-1 tax statements (if necessary) and the Fund's audited financial statements.

## **Client Referrals and Other Compensation**

Incline Global has entered into an agreement for the purpose of referring qualified clients for investment into the Funds. Incline Global pays third-parties a portion of the management fee and performance fees earned, at Incline Global's own expense.

## **Custody**

All Client assets are held in custody by unaffiliated broker dealers or banks. However, Incline Global is deemed to have custody of Funds assets because of its authority over Fund assets as general partner.

To comply with Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), Incline Global will cause each Fund with assets over which Incline Global is deemed to have custody to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of a Fund, Incline Global will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP.

## **Investment Discretion**

Subject to the investment objectives, policies, and restrictions of the Funds as set forth in the Governing Documents of the Funds, Incline Global has full discretion to manage the account.

Incline Global is retained with respect to its Funds on a discretionary basis and is authorized to make the following determinations in accordance with a private fund's specified investment objectives without investor consultation or consent before a transaction is effected (unless consultation is required with respect to principal trades, which Incline Global does not intend to employ as part of its standard investment strategy):

- the securities to buy or sell;
- the total quantity/amount of securities to buy or sell;
- the broker or dealer through whom securities are bought or sold;
- the commission rates at which securities transactions are affected; and
- the prices at which securities are to be bought or sold, which may include dealer spreads, mark-ups/mark-downs, and transaction costs.

Incline Global has investment discretion over Client accounts, including the amount and price of securities bought and sold, the preferred broker-dealer, and the commission rate. Investors generally cannot place restrictions on Incline Global's investment discretion, however, Incline Global may enter into side letter agreements with certain investors granting, among other things, requested restrictions and allocations of Fund investments.

## **Voting Client Securities**

Incline Global seeks to vote the Funds' securities in the best interests of investors and has adopted written proxy voting policies and procedures. In general, the policy requires Incline Global to vote proxies in the interest of maximizing investor value. The CCO coordinates Incline Global's proxy voting and has retained a proxy administration and voting service provider (the "Proxy Administrator") to assist in the proxy voting process. The CCO manages Incline Global's relationship with the Proxy Administrator and ensures all proxies are voted in accordance with Incline Global's proxy voting procedures. The Proxy Administrator will also retain certain required documentation associated with proxy voting. Incline Global has adopted the following proxy voting procedures designed to ensure that proxies are properly identified and voted, and that any conflicts of interest are addressed appropriately:

- The CCO will ensure that each Client custodian is notified that the Proxy Administrator will be acting as proxy voting agent and that all proxies should be directed to them.
- The CCO will coordinate with Incline Global's portfolio management team to determine the appropriate proxy vote and may use the Proxy Administrator's proxy voting guidelines.
- Incline Global believes that there is a low likelihood of proxy votes posing a material conflict of interest, the Company would take any such conflict seriously. In such a circumstance the Proxy Voting Committee, consisting of the Principal, trading staff, analysts and CCO, would work together to determine a course of action that is believed to be in best interests of the Fund and its investors.
- Incline Global will not neglect its proxy voting responsibilities, but the Company may abstain from voting if it deems that abstinence is in the Funds or its' investors best interests.

Current and prospective investors may request a copy of Incline Global's written proxy voting policies and procedures, and current investors may request information about how the Company voted their respective securities, by contacting the firm by calling (212) 488-2910.

Incline Global is authorized to direct the Funds participation in class actions. Incline Global will determine whether the Fund will (a) participate in a recovery achieved through class actions, or (b) opt out of the class action and separately pursue their own remedy. Incline Global generally does not serve as the lead plaintiff in class actions because the costs of such participation typically exceed any extra benefits that accrue to lead plaintiffs.

## **Financial Information**

Incline Global has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.