

Item 1: Cover Page



**Form ADV Part 2A: Firm Brochure**

**Center Lake Capital Management, LLC**

270 Lafayette Street  
Suite 1301  
New York, New York 10012

Telephone: (212) 390-8839

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This brochure provides information about the qualifications and business practices of Center Lake Capital Management, LLC (“**Center Lake**”). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer (“**CCO**”) Richard Passer, at (212) 390-9153 or [rich@centerlakecapital.com](mailto:rich@centerlakecapital.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.

Center Lake is a registered investment adviser. Registration of an investment adviser does not imply that Center Lake or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Center Lake can be found on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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This is Center Lake's initial filing and as such there are no material changes. This brochure will be updated in the future at least annually and periodically to accurately reflect any material changes.

**Item 3: Table of Contents**

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**Item 4: Advisory Business**

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A. Center Lake Capital Management, LLC (“**Center Lake**” or the “**Firm**”) is an investment adviser with its principal place of business in New York, New York. Center Lake is a limited liability company organized in the State of Delaware. Center Lake was founded in 2014 by Adam Parker who is the sole owner of the Firm.

B. Center Lake provides discretionary investment management services to private investment vehicles which may be organized as domestic or foreign entities, such as limited partnerships, corporations, and limited liability companies. The Firm currently advises two private investment vehicles, Center Lake Capital, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**”) and Center Lake Capital, L.P. (the “**Master Fund**”) in a master-feeder structure whereby, the Offshore Fund invests all or substantially all of its assets in the Master Fund. The Offshore Fund and the Master Fund are referred to herein collectively as the “**Funds**” and each a “**Fund**” or “**Clients**” and each a “**Client**”.

Center Lake primarily invests in long-term opportunities in mid-cap software companies. Center Lake pursues companies which are early in the business life cycle and that it believes offers opportunities for growth.

C. Center Lake does not tailor its advisory services to the individual needs of the underlying investors in the Funds. Each investor considering investment in a Fund should consider whether such Fund meets such investor’s investment objectives and risk tolerance prior to investing in such Fund. Center Lake will tailor its advisory services with respect to any separately managed account clients based on investment mandates agreed to between Center Lake and each such separately managed account client.

D. Center Lake does not participate in a wrap fee program.

E. As of April 12, 2019, Center Lake had \$199,772,704 in discretionary regulatory assets under management (“**RAUM**”).

**Item 5: Fees and Compensation**

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A. For its services to its Clients, Center Lake receives investment management fees and an affiliate of Center Lake, Center Lake Capital GP, LP, the general partner to the Clients (the “**General Partner**”), is entitled to receive performance-based compensation (if any).

The fees applicable to each Fund are set forth in detail in each Fund’s Offering Documents. A brief summary of such fees, expenses and compensation (all of which is qualified by and subject to the language of the applicable Fund’s Offering Document) is provided below.

There are three classes of interests in the Funds each of which are subject to differing management fees. In particular, the Funds offer Class A, Class B and Class C Interests which are subject to an annual management fee at a rate of 1.5%, 1.0% and 2.0% of the net asset value per Interest, respectively. Management fees may be negotiable in certain instances as determined by Center Lake from time to time.

B. Center Lake deducts its management fees from the Funds directly on a monthly basis. Center Lake will prorate management fees with respect to any partial period.

C. Funds pay for all of their own expenses as detailed in the offering and related document of each such Fund which includes, but is not limited to, (a) all Fund costs, expenses and charges incurred in connection with the investment and trading activities of a Fund (*e.g.*, brokerage commissions, mark-ups, margin interest, expenses related to short sales, custodial fees, clearing and settlement charges and other transaction costs to brokers), (b) professional and other advisory and consulting expenses and travel expenses incurred in connection with investment due diligence, monitoring or the assertion of rights or pursuit of remedies (including, without limitation, pursuant to bankruptcy or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer), (c) interest on, and fees and expenses arising out of, all borrowings made by a Fund and (d) expenses related to third party research, publications, data and data services, including real time pricing and market information (such as Bloomberg and Reuters services) and historical pricing and other data.

D. All management fees chargeable by Center Lake are generally taken in advance. In the event of a withdrawal by an investor in a Fund other than as of the last day of a calendar month, a pro rata portion of the management fee, based upon the actual number of days remaining in such month, will be repaid by Center Lake to such Fund for the benefit of such withdrawing investor to the extent such management fee was taken in advance.

E. Neither Center Lake nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

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As described in Item 5, Center Lake's affiliate, the General Partner, is entitled to receive performance-based compensation for the services it provides. Performance-based compensation is payable (if any) on an annual basis.

The existence of performance-based fees may create certain conflicts of interest. More specifically, it may create an incentive for the Firm to pursue riskier or more speculative investments than it would be the case if there were no performance-based fees.

In the event that Center Lake manages one or more separately managed accounts or another fund or funds with different performance-based compensation, there may be a conflict of interest for Center Lake to direct more profitable investments or allocate trades in a manner that favors a client paying higher performance-based compensation to Center Lake. Center Lake will generally follow a trade allocation policy that will help to mitigate this conflict.

While the amount of compensation and method of payment are not generally negotiable, the General Partner may, in its sole discretion, waive or reduce the performance based compensation for certain investors.

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

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As set forth above in Item 4 of this brochure, Center Lake's Clients are currently comprised of private investment funds. The Funds require minimum capital subscriptions of at least \$1,000,000, which amounts may be waived or reduced in the discretion of Center Lake and/or its affiliate, the General Partner (as the case may be).

There are no minimum amounts currently required to open a separately managed account.

Investments in the Funds may only be made by investors that are "accredited investors" as defined in Regulation D under the Securities Act of 1933, as amended and "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended.

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

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A. Center Lake uses a long and short approach to investing and is focused on the investment opportunity in publicly traded software stocks due to modernization of the information technology and software sectors. There are various factors, from both a market and technology perspective, that make this an attractive area for Center Lake. Specifically, Center Lake believes small and mid-cap software companies are an area where there is a potential for profit. These companies tend to have lower initial markets capitalizations and larger funds tend to ignore them. Likewise, due to modern software, these companies are able to provide high quality products at a lower cost. In making investment decisions, Center Lake will identify modern trends and themes, implement a research-driven process, take concentrated directional investments, invest in companies with growth potential, and analyze the company's management.

As a result, Center Lake will focus primarily in publicly-traded equities, including both long and short positions. Accordingly, the Funds' investments may at any time include long or short positions in U.S. or non-U.S. publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, sovereign debt, corporate debt, bonds, notes or other debentures or debt participations, convertible securities, swaps, options (purchased or written), futures contracts, currencies, commodities and other derivative instruments, Fund interests and other securities or financial instruments including those of investment companies.

Investing in Center Lake's Funds involves a risk of loss that investors must be prepared to bear. The risks inherent to the strategies employed by Center Lake, including borrowing, trading on margin, utilizing derivatives, and otherwise obtaining leverage from brokers, banks and others on a secured or unsecured basis, as well as those listed below, are described in further detail in the respective Fund's offering documents.

B. Material risks of significant investment strategies are set forth below. The risks provided below are not exhaustive.

**General Economic and Market Conditions.** The success of a Fund's activities will be affected by general economic and market conditions, such as changes in interest rates, availability of credit and debt-related issues, inflation rates, economic uncertainty, market volatility, changes in laws (including laws relating to taxation of a Fund's investments), trade barriers, unemployment rates, release of economic data, currency exchange controls and national and international political circumstances (including wars, terrorist acts, natural disasters, and security operations). These factors may affect the level and volatility of securities prices and the liquidity of a Fund's investments. Volatility and/or illiquidity could impair a Fund's profitability or result in losses. A

Fund could incur material losses even if Center Lake reacts quickly to difficult market or economic conditions, and there can be no assurance that a Fund will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Investors should realize that markets for the financial instruments in which a Fund seeks to invest can correlate strongly with each other at times or in ways that are difficult for Center Lake to predict. Even a well-analyzed approach may not protect a Fund from significant losses under certain market conditions.

**Investment and Trading Risks Generally.** All investments risk the loss of capital. No guarantee or representation is or will be made that a Fund's program will be successful or will avoid losses. A Fund's investment program may involve, without limitation, risks associated with limited diversification, industry concentration, short-selling, equity risks, distressed issuers, interest rates, volatility, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in a Fund's activities. Certain investment techniques of a Fund may, in certain circumstances, substantially increase the impact of adverse market movements to which a Fund may be subject. In addition, a Fund's investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where a Fund invests its assets.

Center Lake's methods of seeking to minimize or manage such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

**Discretionary Strategy.** While Center Lake does make use of quantitative analysis in its investment process, it generally relies primarily on its principal's industry expertise, experience, research and other qualitative analysis to trade and invest a Fund's assets.

**Relative Value and Directional Investments.** A Fund's investment strategies depend on Center Lake's ability to accurately predict future price movements or the convergence of market prices toward the theoretical values expected by Center Lake. Any such attempt to predict future price movements is inherently risky and inaccurate. Often, price movements are determined by unanticipated factors, and the analysis of known factors may prove incorrect, in each case potentially leading to substantial losses to a Fund.

**Limited Diversification.** Center Lake expects a Fund's portfolio to be relatively concentrated. As a result, a Fund could experience significant losses if general economic conditions, and, in particular, those relevant to the issuers whose securities are owned by a Fund, decline. In addition, a Fund's portfolio could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, strategies, countries or geographic regions, and any such concentration of risk may increase losses suffered by a Fund. This limited diversity could expose a Fund to losses disproportionate to market movements in general. Other investment funds pursue similar strategies, which creates the risk that many funds may be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses.

**Long Bias.** A Fund maintains a long bias in its portfolio. In other words, even though a Fund will be long certain securities and short other securities, overall it will be net long. In contrast, some alternative investment funds try to stay "market neutral," meaning that they have neither a long nor a short bias, and as such, they attempt to avoid generalized swings in the trajectory of the equity markets in either direction (up or down). Given a Fund's long bias, it will be more exposed to losses than a market neutral fund would be in times of general market downturns and declining prices of equity securities.

**Low Turnover and Long Holding Periods.** Center Lake expects to trade a Fund's portfolio slowly. While low turnover reduces the trading costs experienced by a Fund, investors will be exposed for longer periods of time to market risks with respect to each security held than they would be in a rapid trading system.

**Equity Risks.** A Fund will invest in equity and equity-derivative securities. The market price of securities owned by a Fund may go up or down, sometimes rapidly or unpredictably. A risk of investing in a Fund is that the equity securities in its portfolio will decline in value due to factors affecting equity securities markets generally or the sectors in which a Fund will invest. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which Center Lake believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame Center Lake anticipates. As a result, a Fund may lose all or substantially all of its investment in any particular instance.

**Corporate Debt.** A Fund may invest in bonds, notes and debentures issued by corporations. These instruments may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. A Fund may invest in corporate debt instruments that have experienced or are contemplated to experience ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. Credit ratings evaluate the safety of the principal and interest payments, not the market value risk of lower-rated instruments. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis and, as a result, outstanding ratings may not reflect the issuer's current credit standing. Conversely, rating agencies may re-rate an instrument which could cause substantial loss as the ratings are downgraded. A Fund's investments may experience significant credit rating volatility, which may result in significant market value volatility and the potential for substantial loss. In addition, a Fund may be paid interest in kind in connection with its investments in corporate debt and related financial instruments (*e.g.*, the principal owed to a Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, a Fund may experience substantial losses.

**Investment in Small- and Medium-Capitalization Companies.** A Fund may trade and invest in equity and debt securities of small- and mid-cap issuers. 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. Some small companies have limited distribution channels and financial and managerial resources. Such companies may also be dependent on personnel (including key personnel) with limited experience.



**Short Selling.** A Fund expects to engage in short selling. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, a Fund will engage in short sales only where Center Lake believes the value of the security will decline between the date of the sale and the date a Fund is required to return the borrowed security. The making of short sales will expose a Fund to the risk of liability for the market value of the security that is sold, which will be an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed by a Fund at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a “short squeeze” can occur, and a Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

**“New Issues.”** A Fund may trade and invest in “new issues” (defined as any initial public offering of an equity security). Trading and investing in new issues involves greater risk than securities trading in general. The prices of new issues may not increase as expected and, in fact, may decline more rapidly. While most people assume that new issues will trade at a premium to their issue price until they are liquidated, there is no guarantee that this will occur. Such securities have no public market prior to their initial offering or creation and there is no assurance that (i) an active public market in such securities will develop or continue after commencement of trading or (ii) that the initial public offering price or initial trading level of such securities will be indicative of the market price for such securities on a “fully-distributed” basis.

**Options.** A Fund may trade and invest in options. An option is a right, purchased for a certain price, to either buy or sell the underlying instrument or product during or at the end of a certain period of time for a fixed price. The risks in trading options are different from the risks in trading the underlying instruments or products, and trading in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. For example, if a Fund buys an option (either to sell or buy an underlying instrument or product), it will be required to pay a “premium” representing the market value of the option. The value of an option may decline because of a decline in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset or any combination thereof. Unless the price of the underlying instrument or product changes and it becomes profitable to exercise or offset the option before it expires, a Fund may lose the entire amount of the premium. Conversely, if a Fund sells an option (either to sell or buy an underlying instrument or product), it will be credited with the premium but will have to deposit margin with a Fund’s brokers due to its contingent liability to deliver or accept the underlying instrument or product in the event the option is exercised. Sellers of options are subject to unlimited risk of loss, as the seller will be obligated to deliver or take delivery of an asset at a predetermined price which may, upon exercise of the option, be significantly different from the then-market value. The ability to trade in or exercise options may be restricted in the event that trading in the underlying instrument or product becomes restricted.

**Loans of Portfolio Securities.** A Fund may lend its portfolio securities. By doing so, a Fund will attempt to increase income through the receipt of interest on the loan. While a securities loan is outstanding, a Fund will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially. To the extent that the

value of the securities a Fund lent increases, the Fund could experience a loss if such securities are not recovered.

**Investments in Undervalued Equity and Equity-Related Securities.** A Fund may invest in what Center Lake believes to be undervalued equity and equity-related securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Fund's investments may not adequately compensate for the business and financial risks assumed. A Fund may make certain speculative investments in securities which Center Lake believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. In addition, a Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of a Fund's assets may be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, a Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period. If Center Lake takes long positions in stocks that decline and short positions in stocks that increase in value, then the losses of a Fund may exceed those of other portfolios that hold long positions only.

**Investments in Distressed Issuers.** A Fund might invest in equity securities of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, or facing special competitive or product obsolescence problems. These securities are likely to be particularly risky investments although they also may offer the potential for high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule and otherwise continue to operate could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high, and there is no assurance that Center Lake will analyze such investments correctly.

**Stressed Debt.** A Fund may invest in debt obligations of stressed issuers. Stressed issuers are issuers that are not yet deemed distressed or bankrupt and whose debt securities are trading at a discount to par, but not yet at distressed levels. An example would be an issuer that is in technical default of its credit agreement, or undergoing strategic or operational changes, which results in market pricing uncertainty. The market prices of distressed and stressed instruments are highly volatile, and the spread between the bid and the ask prices of such instruments is often unusually wide.

**Swap Agreements.** Center Lake may use swap agreements. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary investment transactions. Interest rate swaps, for example, do not typically involve the delivery of financial instruments, other underlying assets or principal. Accordingly, the market risk of loss with respect to an interest rate swap is often limited to the amount of interest payments that Center Lake is contractually obligated to make on a net basis. If the other party to an interest rate swap defaults, a Fund's risk of credit loss may be the amount of interest payments that it is contractually entitled to receive on a net basis. However, where swap agreements require one

party's payments to be "up-front" and timed differently than the other party's payments (such as is often the case with currency swaps), the entire principal value of the swap may be subject to the risk that the other party to the swap will default on its contractual delivery obligations. If there is a default by the counterparty, a Fund may have contractual remedies pursuant to the agreements related to the transaction. The investment performance of a Fund, however, may be adversely affected by the use of swaps if Center Lake's forecasts of market values, interest rates or currency exchange rates are inaccurate.

**Repurchase and Reverse Repurchase Agreements.** A Fund may enter into repurchase and reverse repurchase agreements. When the Fund enters into a repurchase agreement, it "sells" securities or commodities interests to a broker or financial institution, and agrees to repurchase such securities or commodities interests on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, a Fund "buys" securities or commodities interests issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities or commodities interests at the price paid by a Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by a Fund involves certain risks. For example, if the seller of securities to a Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, a Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, a Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that a Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, a Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

**Other Derivative Instruments.** A Fund may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of a Fund and legally permissible. Special risks may apply to instruments that are invested in by a Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by a Fund. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

**Convertible Securities.** A Fund may invest in convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion

value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium will decrease as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, a Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a Fund's ability to achieve its investment objective.

**Non-U.S. Investments.** A Fund may invest in financial instruments of non-U.S. corporations and governments. Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. Government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the Fund may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the Fund's rights in such markets. For example, financial instruments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Fund under such laws and regulations are unavailable for transactions on foreign exchanges and with foreign counterparties.

**Competition.** The markets in which a Fund expects to participate are extremely competitive. There can be no assurance that Center Lake will be able to identify or successfully pursue attractive investment opportunities in this environment. Investors should expect that a Fund's investments will involve substantially more company-specific and market risk and associated volatility in the future than the risks involved in such investments in the past. A Fund and Center Lake will compete with many firms, some of which may have substantially greater financial resources, more favorable financing arrangements, larger research staffs and more securities traders than are available to a Fund and Center Lake.

**Less Liquid Instruments.** A Fund may invest in securities which may be thinly traded or otherwise illiquid. In addition, the Fund may from time to time hold large positions with respect to a specific type of instrument, which may reduce a Fund's liquidity. A Fund may be unable to timely dispose of certain assets, which would adversely affect a Fund's ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force a Fund to dispose of assets at reduced prices, thereby adversely affecting a Fund's performance. If there are other market

participants seeking to dispose of similar assets at the same time, a Fund may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if a Fund incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with a market downturn, a Fund's counterparties could incur losses of their own, thereby weakening their financial condition and increasing a Fund's credit risk to them.

A Fund may also invest in securities that are subject to legal or other restrictions on transfer. A Fund may be contractually prohibited from disposing of such investments for a specified period of time. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

**Default and Credit Risks.** A Fund may invest in debt obligations of both government and corporate issuers. These financial instruments involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. A Fund also will assume credit risk to its brokers, custodians and other counterparties in connection with brokerage arrangements, derivatives and other contractual relationships. In evaluating credit risk, the Fund may be dependent upon information provided by the obligor, which may be materially inaccurate or fraudulent. Any actual default, or any circumstance that increases the possibility of such a default, could have a material adverse effect on a Fund.

**Interest Rate Risks.** In addition to its investment in public equity securities, a Fund may invest in debt obligations of government issuers (e.g., U.S. treasury bills) as a part of an overall cash management strategy. These and various other assets, as well as the Fund's borrowings, will subject a Fund to risks associated with movements in interest rates. For example, a Fund will be required to manage both curve risk, which is the risk that the slope of the yield curve will vary from the slope assumed in a Fund's strategy, and credit spread risk, which is the risk that the spreads between yields of differently rated issuers will change in a manner that adversely affects a Fund's portfolio.

**Money Market Instruments.** A Fund may invest in short-term financial instruments which include money market instruments. Money market instruments generally are considered to be low risk, and, because by definition they are short-term securities, highly liquid. Nonetheless, these financial instruments are subject to risk, including default risk, depreciation risk and liquidity risk. For example, commercial paper is not backed by collateral. Issuers of commercial paper are required to have high credit ratings and defaults have been rare, but they have nonetheless occurred. Money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation and may not be guaranteed by the Exchange Stabilization Fund. As a result, they are subject to a risk of loss.

**Cash Investments.** A Fund may hold cash or invest in cash equivalents for short-term investments. While a Fund directly or indirectly holds cash or has investments in cash equivalents, the overall appreciation of a Fund's assets may be less than if all the assets of a Fund were invested fully in accordance with its investment strategy.

**Other Financial Instruments.** Center Lake may employ strategies or invest in instruments for which no specific "risk factors" are provided herein. Nevertheless, such strategies and instruments should be considered to be speculative, volatile, and, in general, no less risky than other strategies and instruments more fully described herein.



**Risk Management.** The risk management techniques which may be utilized by a Fund cannot provide any assurance that a Fund will not be exposed to risks of significant trading losses. The prices of instruments used for hedging purposes, if any, may not correlate with price movements of the underlying Financial Instruments being hedged. Although Center Lake generally will attempt to identify, monitor and manage significant risks, these efforts will not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in Center Lake's risk management efforts could result in material losses for a Fund.

### **Leverage and Liquidity Risks**

A Fund generally will have the power to borrow funds (or otherwise incur leverage) and may do so when deemed appropriate by the General Partner or Center Lake. A Fund may borrow funds from brokers, banks and other lenders to finance its investing and trading operations, which borrowings may be secured by assets of a Fund. The use of such leverage can, in certain circumstances, maximize the losses to which a Fund's investment portfolio may be subject. Any event that adversely affects the value of an investment would be magnified to the extent that a particular asset or a Fund as a whole is leveraged. The cumulative effect of the use of leverage by a Fund in a market that moves adversely to a Fund's investments could result in a substantial loss to a Fund, which would be greater than if a Fund was not leveraged. Leverage may be achieved through, among other methods, direct borrowing and purchases of securities on margin and the use of options and other derivatives.

The use of margin, derivatives and short-term borrowings may result in substantial interest and financing costs to a Fund and may create other or additional risks. Specifically, a Fund may use a significant portion of its capital for margin and collateral deposits. If the value of a Fund's securities or derivatives positions falls below the margin or collateral levels required by a prime broker, custodian or other counterparty, additional margin or collateral deposits would be required. If a Fund is unable to satisfy any margin or collateral call by a prime broker, custodian or other counterparty, then such custodian or other counterparty could terminate transactions, liquidate the Fund's position in some or all of the financial instruments that are in a Fund's margin or collateral accounts at the custodian or other counterparty and otherwise cause a Fund to incur significant losses. The failure to satisfy a margin or collateral call, or the occurrence of other material defaults under margin or other financing agreements, may trigger cross-defaults under a Fund's agreements with other brokers, custodians, lenders or counterparties, multiplying the adverse impact to the Fund. In addition, because the use of leverage will allow a Fund to control positions worth significantly more than its investments in those positions, the amount that a Fund may lose in the event of adverse price movements will be high in relation to the amount of its investments.

In the event of a sudden drop in the value of a Fund's assets, a Fund might not be able to liquidate assets quickly enough to satisfy its margin or collateral requirements or other contractual obligations. In that event, a Fund may become subject to claims of financial intermediaries that extended margin loans or other types of credit. Such claims could exceed the value of the assets of a Fund. The banks, dealers and other custodians and counterparties that provide financing to a Fund can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks, dealers and other custodians or counterparties in any of the foregoing may result in foregoing may result in large margin or collateral calls, loss of financing and forced liquidations foregoing may result in large margin or collateral calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that a Fund will be able to secure or maintain adequate financing, without which the Fund may not continue to be viable.

The purchase of options, futures, forward contracts, repurchase agreements, reverse repurchase agreements and equity swaps generally involve little or no margin deposit and, therefore, will provide substantial leverage. Accordingly, relatively small price movements in these financial instruments may result in immediate and substantial losses to a Fund. In addition, a Fund will have unlimited discretion to use derivative instruments, which generally provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment.

### **Counterparty Risks**

A Fund expects to establish relationships to obtain financing, engage in derivative transactions and obtain prime brokerage and other services and enter into various transactions with third parties, all of which will permit a Fund to trade in any variety of markets or asset classes over time; however, there can be no assurance that the Fund will be able to maintain such relationships or establish such relationships in the future. An inability to establish or maintain such relationships would limit the Fund's trading activities and could create losses, preclude a Fund from engaging in certain transactions, derivative intermediation financing and prime brokerage services and prevent the Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative and prime brokerage services provided by any such relationships before the Fund establishes additional relationships could have a significant impact on a Fund's business due to a Fund's reliance on such counterparties.

Some of the markets in which a Fund may effect its transactions are "over-the-counter" or "inter-dealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes a Fund to the risk that a counterparty will not settle a transaction due to a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, a Fund could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement or where the Fund has concentrated its transactions with a single counterparty or small group of counterparties.

Furthermore, there is a risk that any of a Fund's counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of a Fund's counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of a Fund's securities and other assets from a Fund's prime brokers or broker-dealers will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

A Fund may use counterparties located in jurisdictions outside the United States. Such counterparties are subject to the laws and regulations in non-U.S. jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to a Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on a Fund and its assets.

A Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, Center Lake's internal process for evaluating the creditworthiness of its counterparties may prove insufficient. The ability of a Fund to transact business with any one or more counterparties, the lack of complete and "foolproof" evaluation of the financial capabilities of a Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Fund.

*The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies. Prospective investors should read this entire Form ADV and all accompanying materials provided by Center Lake and consult with their own advisers before deciding whether to invest in the strategies. In addition, as portfolio company investments mature and the strategies develop and change over time, an investment may be subject to additional and different risk factors. Center Lake will promptly amend this brochure if and when any information regarding its investment risks and strategies becomes materially inaccurate.*

#### **Item 9: Disciplinary Information**

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Center Lake and its affiliates and supervised persons have no reportable disciplinary events to disclose.

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

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A. Neither Center Lake nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither Center Lake nor any of its management persons is registered as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing.

C. The General Partner of the Funds, a related person of Center Lake, serves as each Fund's general partner. This relationship creates an incentive for Center Lake to make investment allocations that are riskier or more speculative than would be the case if the General Partner did not receive incentive compensation from a Fund for serving as the general partner to such Fund.

Center Lake and any affiliate may furnish and will continue to furnish investment management and advisory service to others. Center Lake and affiliates may make recommendations to and take actions on behalf of others (including but not limited to the Funds), which may be the same as or different from recommendations made to other clients. In addition, Center Lake or any affiliate may make recommendations to trade, purchase or sell for a client regarding any investment opportunity which Center Lake or an affiliate may recommend purchase or sell for its own account or for the account of any other client (or recommend to any other client); and Center Lake or its affiliates may not give Clients the same advice as may be given to any other client. Center Lake or any affiliate may also act as investment adviser, manager or custodian to other clients. Center Lake and affiliates may from time to time have positions in or transact in investment opportunities recommended to other clients. Such transactions may differ from or be inconsistent with the advice given, or the timing or nature of Center Lake's advice given with respect to a Client. Center Lake always acts in the best interest of its Clients and in accordance with a Client's investment objectives and has a robust compliance program in place to generally deal with conflicts of interest that come up from time to time on an objective basis.

D. Not applicable.



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

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Center Lake has adopted a Code of Ethics (the “**Code**”) pursuant to SEC Rule 204A-1 to ensure that it fulfills its role as a fiduciary to the Clients and to address actual or potential conflict which might arise from personal trading and other activities of the Firm’s principals and employees. The Code establishes a standard of conduct obligating Center Lake and its employees to put the interests of the Firm’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. Center Lake’s employees are also required to comply with applicable provisions of federal securities laws and promptly report any actual or suspected violations of such laws by Center Lake or its employees. Center Lake will provide a copy of its Code to any Client or prospective client upon request.

The Code contains provisions relating to personal trading, confidentiality of Client information and board service. The Code also contains a prohibition on insider trading and restrictions on gifts and entertainment, outside business activities, and political contributions.

Center Lake requires that all employees attend an annual Code of Ethics training session, and the Firm provides supplemental training, as needed.

The Code imposes certain restrictions, pre-clearance and reporting requirements on personal trading and other activities of Center Lake’s employees, certain family members (including the spouse and minor children of a principal or employee, and immediate family members of a principal or employee who live in the same household). All transactions made by employees are monitored on an ongoing basis by the CCO to ensure pre-clearance has been sought and obtained when required, and to ensure the personal trading patterns of employees fall within the guidelines set forth in the Code.

Without the prior approval of the CCO, no Firm employee may execute a transaction, including, but not limited to, short selling transactions, in a security if such employee has actual knowledge that an order for a Client for the same security exists or that the Firm is considering transactions in the security for the Clients. Generally, employees will not be permitted to transact in a security at or around the same time a Client transacts in such security. The CCO will not pre-clear any transaction in which an employee takes inappropriate advantage of their position at Center Lake.

***Insider Trading Policies and Procedures***

Center Lake maintains Insider Trading policies and procedures (the “**Insider Trading Policies**”) that are designed to prevent the misuse of material, non-public information. Among other things, such policies seek to control and monitor the flow of inside information to and within Center Lake, as well as prevent trading based on inside information. On a periodic basis, the employees are required to certify to their compliance with the Compliance Manual, Code and Employee Investment Policy, including the Insider Trading Policies.

***Privacy Policy***

Center Lake is committed to maintaining the confidentiality, integrity and security of the investors’ personal information and the Firm maintains a privacy policy which is distributed to the investors upon request.

It is the Firm’s policy to collect only information necessary or relevant to the management business and use only legitimate means to collect such information. Center Lake does not disclose any non-

public personal information about the investors or former investors to anyone except for servicing and processing transactions and as required by law. The Firm restricts access to non-public personal information about Investors to those employees with a legitimate business need for the information. Center Lake maintains security practices, physical, electronic, and procedural safeguards to guard Investor's non-public personal information.

## **Item 12: Brokerage Practices**

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A. Center Lake has complete discretion in determining the brokers or dealers to be used, as well as the commissions or markups and markdowns paid, for particular transactions. In selecting brokers and dealers to execute transactions, Center Lake does not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Transactions for the Clients will be allocated to brokers and dealers on the basis of an evaluation of numerous factors, which may not necessarily reflect lowest pricing. Brokers and dealers may provide other services that are beneficial to the Firm and/or certain Clients, but not beneficial to all Clients.

In selecting brokers and dealers (including prime brokers) to execute transactions, and provide other services, Center Lake may consider, among other factors, the ability of the brokers and dealers to execute the transaction, the brokers' or dealers' facilities, reliability and financial responsibility, and the provision by the brokers of capital introduction. Accordingly, the prices and commission rates (or dealer markups and markdowns) charged to the Clients by brokers or dealers may be higher than those charged by other brokers or dealers that may not offer such services.

### ***Research and Other Soft Dollar Benefits***

Center Lake may, but does not currently, use soft dollars to effect transactions, and receive brokerage and research services, only to the extent they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, and subject to prevailing guidance provided by the SEC regarding Section 28(e). Center Lake currently allocates soft dollar benefits to all Clients.

Center Lake will, from time to time, pay a broker-dealer commissions (or markups or markdowns) for effecting Client transactions in excess of that which another broker-dealer might have charged for effecting the same transaction in recognition of the value of the brokerage and research services provided by the broker-dealer.

Consistent with Section 28(e), brokerage services obtained by the use of commissions arising from the Client's portfolio transactions may be used by the Firm in its other investment activities and thus, some of the Clients may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

When Center Lake uses brokerage commissions (or markups or markdowns) generated by any Client to obtain research or other products or services, the Firm receives a benefit because it does not have to produce or pay for such products or services. Center Lake may have an incentive to select or recommend a broker-dealer based on the Firm's interest in receiving research or other products or services, rather than on a Client's interest in receiving most favorable execution.

### ***Brokerage for Client Referrals***

Center Lake does not currently utilize any broker-dealers or third parties for Client referrals.

***Directed Brokerage***

Center Lake does not routinely recommend, request or require that a Client or investor direct the Firm to execute transactions through a specified broker-dealer.

***Best Execution***

As an investment advisory firm, Center Lake have a fiduciary duty to seek best execution for Client transactions. As a matter of policy and practice, the Firm seeks to obtain best execution for Client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. Other components that the Firm analyzes in seeking best execution are timeliness of having a transaction executed by a broker, the value of research provided, the responsiveness of the broker to the Firm and the financial responsibility of the broker.

***Trade Errors***

As a fiduciary, Center Lake has the responsibility to effect orders correctly, promptly and in the best interests of the clients. In the event any error occurs in the handling of any client transactions, due to the Firm's actions, or inaction, or actions of others, the Firm's policy is to correct the trade error promptly and to resolve the trade error so as to avoid incurring a loss to the Client.

B. Center Lake may determine that the purchase or sale of a security is appropriate with regard to one Client; the Firm may, but is not obligated to, purchase or sell such a Security on behalf of such Accounts with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Account will receive the average price, with transaction costs generally allocated pro rata based on the size of each Account's participation in the order (or allocation in the event of a partial fill) as determined by the Firm. In the event of a partial fill, allocations may be modified on a basis that the Firm deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Firm. As a result, certain trades in the same security for one Client (including a Client in which the Firm and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

**Item 13: Review of Accounts**

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A. The Firm conducts periodic reviews of its Client's accounts. The Firm reviews the Clients' portfolios regularly and monitors the various risk metrics.

B. The Firm will conduct reviews other than on a periodic basis in certain instances, including in the event there are unforeseeable events that have occurred.

C. Investors in the Funds receive monthly unaudited performance information, including exposure and performance attribution reporting, from the Firm. In addition, investors will receive a monthly NAV statement from the Firm's administrator. Annually, within 120 days of the fiscal year-end, the Funds' audited financial statements are provided to investors.

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

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The Firm does not receive an economic benefit from anyone, other than its Clients, for providing investment advice or other advisory services to the Firm's Clients.

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**Item 15: Custody**

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For purposes of Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"), Center Lake is directly and indirectly deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian maintains all Client assets. Likewise, in order to comply with the custody rule: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) Center Lake delivers such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

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**Item 16: Investment Discretion**

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Center Lake has full discretionary investment authority to manage securities accounts on behalf of the Funds and is granted this trading discretionary investment authority pursuant to each Fund's constituent documents and the investment management agreement between each Client and Center Lake.

Center Lake endeavors to buy and sell securities and other instruments for its Clients on a discretionary basis in a manner consistent with each Client's stated investment objectives and restrictions, as set forth in the applicable governing documents.

Generally, Center Lake also assumes the authority to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary or advisable. This includes power of attorney, power to borrow money, and power to vote Client securities.

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**Item 17: Voting Client Securities**

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Center Lake has adopted a proxy voting policy, as required by the Advisers Act, which provides that Center Lake will vote proxy proposals, amendments, consents, or resolutions in a prudent and diligent manner that will serve the best interests of its Clients. Currently, Clients are not permitted to direct how proxies are voted.

Center Lake's proxy voting policy includes guidelines for reviewing and documenting proxies received and further provides guidelines for evaluating and determining how such proxies shall be voted upon, after consideration of the effects to the Funds and the best interests of the Clients.

The proxy voting policy also includes guidelines for the CCO to follow if a material conflict of interest arises between Center Lake or its employees and/or its Clients to ensure that such conflict is resolved in the best interest of the Clients. In such cases, Center Lake will always vote in the best interests of Clients, even if such vote conflicts with the Firm's own interests.

Clients may obtain a copy of Center Lake's proxy voting policies and procedures upon request.

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**Item 18: Financial Information**

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Center Lake does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance, is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.