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Form ADV Part 2A Firm Brochure

This brochure provides information about the qualifications and business practices of Forester Capital, L.L.C. ("Forester"). If you have any questions about the contents of this brochure, please contact us at 203-983-7380 and/or legal@forestercapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Forester is also available on the SEC's website at <https://adviserinfo.sec.gov>.

Forester is registered with the SEC as an investment adviser. Forester's registration as an investment adviser does not imply any level of skill or training.

Item 2. Material Changes

This brochure is filed as Forester's annual update to Form ADV Part 2A. Forester last filed its brochure with the SEC on March 29, 2021.

Since that filing, Forester has not made any material changes to the Brochure but has made certain routine updates and clarifying changes. Updates include, among others, changes to reflect the launch of the following private investment funds: Forester Strategic Opportunities II, L.P., Forester Strategic Opportunities II, Ltd., and Forester Co-investment, L.P., each as described in more detail herein. Additionally, in February 2022, Daniel P. Ricciardi replaced the former Chief Compliance Officer of Forester.

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Item 4. Advisory Business

Forester was founded in 1999 and began investing on behalf of its clients on February 1, 2000. Forester is principally owned by its managing member, Trent A. Carmichael (the “Managing Member”), and his family. In addition to Mr. Carmichael, there are two other members of Forester who receive a profit participation. Forester primarily provides discretionary investment advisory services to the following private investment funds (the “Forester Funds”):

Delaware Limited Partnerships

- Forester Partners, L.P.
- Forester Partners II, L.P.
- Forester Diversified Fund, L.P.
- Forester Strategic Opportunities, L.P.
- Forester Strategic Opportunities II, L.P.
- Forester Co-investment, L.P.
- Forester Insurance Fund

Cayman Islands Exempted Companies

- Forester Offshore, Ltd.
- Forester Diversified, Ltd.
- Forester Strategic Opportunities, Ltd.
- Forester Strategic Opportunities II, Ltd.

Except as described below, each Forester Fund invests (directly or indirectly) in a diversified group of private investment funds (collectively, “Investment Funds”) sponsored and managed by third-party investment managers (collectively, “Fund Managers”). The Forester Funds generally invest with Fund Managers who employ a classic hedge fund approach by investing in long and short positions, typically in equity securities, and may utilize leverage to magnify the effects of stock selection. In certain cases, the Forester Funds will make strategic investments in private investment funds advised by: (i) early-stage managers; and (ii) more established managers (collectively, the “Strategic Investments”). In connection with the Strategic Investments, the Forester Funds are expected to receive revenue participation rights (the “Revenue Share”). In connection with these Strategic Investments, the Forester Funds will also seek fee discounts, expense caps and capacity rights. Forester Diversified Fund, L.P. also invests with absolute return oriented Fund Managers. Forester Offshore, Ltd. and Forester Diversified, Ltd. indirectly invest in Investment Funds through the investment of substantially all of their investable assets in Forester Partners, L.P. and Forester Diversified Fund, L.P., respectively. Forester Strategic Opportunities, L.P. and Forester Strategic Opportunities II, L.P. exclusively make Strategic Investments and are entitled to receive a Revenue Share with respect to each such Fund Manager. Forester Strategic Opportunities, Ltd. and Forester Strategic Opportunities II, Ltd. indirectly invest in Strategic Investments through the investment of substantially all of their investable assets in Forester Strategic Opportunities, L.P. and Forester Strategic Opportunities II, L.P., respectively. Forester Strategic Opportunities, L.P. and Forester Strategic Opportunities, Ltd. are referred to together in this Brochure as “FSO”. Forester Strategic Opportunities II, L.P. and Forester Strategic Opportunities II, Ltd. are referred to together in this Brochure as “FSO II”.

Forester Co-investment, L.P. (the “Co-investment Fund”) invests either directly or in special purpose vehicles offered by various Fund Managers in order to participate in co-investment or similar opportunities identified by Fund Managers.

Forester serves as discretionary investment subadvisor to Forester Insurance Fund, a Series of the SALI Multi-Series Fund, L.P. (the “Forester Insurance Fund”). Interests in the Forester Insurance Fund are only offered to insurance company investors on behalf of certain of their segregated separate accounts that fund certain variable life insurance and variable annuity contracts. The Forester Insurance Fund is

primarily invested in Forester Partners, L.P. and Forester Diversified Fund, L.P. In addition, the Forester Insurance Fund invests directly with long/short equity and absolute return oriented Fund Managers.

Forester concentrates on Fund Managers that engage in fundamental, bottom-up research and analysis. The Fund Managers are generally not limited or restricted in their investment activities and may at any time invest or trade in long or short positions in U.S. or foreign publicly traded or privately issued common stocks, preferred stocks, stock warrants and rights, corporate or sovereign debt, bonds, notes or other debentures or debt participations, partnership interests, interests in investment companies, convertible securities, swaps, options, futures contracts and other derivative instruments.

The Forester Funds also invest in cash and cash-equivalents. In addition, Forester Diversified, Ltd., Forester Strategic Opportunities, Ltd. and Forester Strategic Opportunities II, Ltd. currently invest in forward contracts and engage in spot currency transactions in seeking to hedge currency exposure attributable to shares that are not denominated in U.S. dollars. There can be no assurances that Forester will continue to enter into currency hedging transactions in the future.

Investors in the Forester Funds (other than investors in FSO, FSO II, the Co-investment Fund and the Forester Insurance Fund) have four fee/liquidity options: A2 Interests, A3 Interests, B2 Interests, and B3 Interests. The fee and liquidity schedules are as follows: (i) A2 Interest investors are charged a 0.95% management fee, a 3% performance fee or allocation over a 5% per annum hurdle and are permitted to withdraw/redeem annually upon 95 days' notice after an initial two-year lockup; (ii) A3 Interest investors are charged a 0.95% management fee, a 3% performance fee or allocation over a 5% per annum hurdle and are permitted to withdraw/redeem up to 1/4 of each investment quarterly upon 95 days' notice following an initial one-year lockup; (iii) B2 Interest investors are charged a 0.75% management fee, no performance fee or allocation and are permitted to withdraw/redeem upon 95 days' notice after a three-year lockup; and (iv) B3 Interest investors are charged a 0.75% management fee, no performance fee or allocation and are permitted to withdraw/redeem up to 1/3 of each investment annually upon 95 days' notice following an initial two-year lockup.

Investors in FSO and FSO II are currently charged a management fee of 0.25% and a 15% incentive allocation over a 5% per annum hurdle for each fiscal year until all capital is returned to investors. For each fiscal year in which all capital has been returned to investors, investors are charged a 15% incentive allocation. Capital commitments to FSO and FSO II are subject to a three-year investment period during which capital can be called and invested by FSO or FSO II or used for the payment of expenses. Investors are permitted to withdraw/redeem quarterly upon 95 days' notice. Payment of withdrawal/redemption requests will occur in accordance with the terms of the underlying Investment Funds.

Investors in the Co-investment Fund are currently charged a quarterly management fee at an annual rate of 0.5% and at the time of any distribution from the fund are charged an incentive allocation ranging from 5% to 7.5% of profits. Withdrawals from the Co-investment Fund are generally not permitted; investors receive distributions from the Co-investment Fund following the realization of a particular investment. Distributions are paid in accordance with the terms of the applicable investment opportunity.

Investors in the Forester Insurance Fund generally have the same four liquidity/fee options as the other Forester Funds (other than FSO, FSO II and the Co-investment Fund). Investors in this fund are charged a subadvisory fee in lieu of a management fee.

Forester is currently offering reduced fees to investors in FSO, FSO II and the Forester Insurance Fund until the relevant fund exceeds certain asset thresholds.

Investors should refer to the offering memorandum and other governing documents of the applicable Forester Fund for a complete description of fees and expenses charged by the Forester Fund, as well as the relevant liquidity terms.

Forester has facilitated credit arrangements with third parties on behalf of certain Forester Funds to allow those Forester Funds to borrow for short term liquidity needs, including financing of investor withdrawals/redemptions, portfolio reallocations and the settlement of currency hedging transactions (as applicable). Certain Forester Funds have entered into committed lines of credit to enable such borrowings on a periodic basis, although there can be no assurance that any line of credit will be continued or that amounts available thereunder will be sufficient to satisfy its intended uses.

Forester provides advice to the Forester Funds based on the specific investment objectives and strategies of such funds. Forester neither tailors its advisory services to the individual needs of investors in the Forester Funds, nor accepts investor-imposed investment restrictions.

Forester also provides non-discretionary advisory services regarding a client's hedge fund portfolio (the "Advisory Client," and collectively with the Forester Funds, the "Forester Clients"). Forester provides advice based on the specific investment objectives of the Advisory Client. The Advisory Client maintains discretion over the portfolio. The Advisory Client is subject to a higher minimum investment threshold than investors in the Forester Funds and its fees are individually negotiated.

Forester also serves as the investment manager for FC Strategic Holdings, Ltd. (the "Holding Company"). Certain Forester Funds and the Advisory Client invest directly or indirectly in the Holding Company to gain access to certain Strategic Investments and to receive revenue participation rights.

Forester does not participate in wrap fee programs.

As of December 31, 2021, Forester had regulatory assets under management of approximately \$1,344,926,660 on a discretionary basis, and \$295,362,354 on a non-discretionary basis.

Item 5. Fees and Compensation

Asset-Based Compensation

Forester charges investors in the Forester Funds (other than FSO, FSO II, the Co-investment Fund and the Forester Insurance Fund) an asset-based management fee of: (i) 0.95% per annum for A2/A3 Interest investors; and (ii) 0.75% per annum for B2/B3 Interest investors. Forester currently charges investors in FSO and FSO II an asset-based management fee of 0.25% per annum. Forester currently charges investors in the Co-investment Fund an asset-based management fee of 0.5% per annum. The fees described in this paragraph are collectively referred to herein as the "Management Fee".

The Management Fee is paid in arrears as of the end of each calendar quarter based on the value of the net assets of each Forester Fund as of the last day of the quarter. The Management Fee is adjusted for subscriptions and withdrawals/redemptions and calculated without accrual of any performance fees or allocations (as described below), if any. Each Forester Fund will pay the Management Fee in U.S. dollars promptly after the end of each quarter. In the event that Forester is not acting as the investment manager for an entire calendar quarter, the Management Fee payable by the Forester Fund for such quarter will be prorated to reflect the portion of such quarter during which Forester is acting as such under the relevant investment management agreement.

Investors in the Forester Insurance Fund are charged an asset-based subadvisory fee of: (i) 0.95% per annum for A2/A3 Interest investors; and (ii) 0.75% per annum for B2/B3/Three-Year Interest investors (the "Subadvisory Fee"). The Subadvisory Fee is computed based on the net asset value of the Forester Insurance Fund attributable to the capital account of each limited partner therein on the first business day of each month. The Subadvisory Fee is paid to Forester by the investment manager of the Forester Insurance Fund.

Forester currently waives, and may in the future waive, in its sole discretion, the Management Fee or Subadvisory Fee for investors in the Forester Funds that are members, principals, employees or affiliates of Forester, and/or for certain large or strategic investors.

Asset-based management fees for the Forester Funds are non-negotiable.

Performance-Based Compensation

A2 and A3 Interest investors in the Forester Funds (other than FSO, FSO II, the Co-investment Fund and the Forester Insurance Fund) are charged a performance-based fee or allocation (each, performance-based compensation), which is equal to 3% of the net profits (including net unrealized gains), if any, over a 5% per annum hurdle of each Forester Fund in which such investors are invested, subject to a loss carryforward provision. Investors in FSO and FSO II are charged performance-based compensation equal to 15% of the net profits (including net unrealized gains), if any, over a 5% per annum hurdle, subject to a loss carryforward provision. Investors in the Co-investment Fund are charged performance-based compensation ranging from 5% to 7.5% of net profits at the time of distribution. The performance-based compensation for each Forester Fund (excluding the Co-investment Fund and the Forester Insurance Fund) is payable at the end of each fiscal year, upon an investor's withdrawal/redemption of interests and/or upon dissolution of the Forester Fund. Performance-based compensation will be paid to Forester or to a related person of Forester.

A2 and A3 Interest investors in the Forester Insurance Fund are charged an annual incentive fee (the "Incentive Fee") equal to 3% of the net profits (including net unrealized gains), if any, over a 5% per annum hurdle of the Forester Insurance Fund during the fiscal year, in each case subject to a loss carryforward provision. The Incentive Fee is paid to Forester by the investment manager of the Forester Insurance Fund.

B2 and B3 Interest investors in the Forester Funds are not charged performance-based compensation.

Forester currently waives, and may in the future waive, in its sole discretion, the performance-based compensation for investors in the Forester Funds that are members, principals, employees or affiliates of Forester, and/or for certain large or strategic investors.

Performance-based compensation for the Forester Funds is non-negotiable.

Advisory Client Fees

The Advisory Client pays a quarterly fixed fee in arrears directly to Forester based on assets under advisement. The Advisory Client also pays an annual incentive fee related to the receipt of any Revenue Share resulting from certain Strategic Investments made at the recommendation of Forester.

Other Fees and Expenses

Forester deducts the Management Fee and performance-based compensation from the Forester Funds (other than the Forester Insurance Fund) by providing instructions to each Forester Fund's custodian. The investment manager of the Forester Insurance Fund pays Forester the Subadvisory Fee and the Incentive Fee within 15 days of the investment manager's receipt of such fee amounts from the Forester Insurance Fund. Investors in the Forester Funds do not have the ability to choose to be billed directly for fees incurred. In addition to the Management Fee and, if applicable, performance-based or other compensation, investors in each Forester Fund are indirectly subject to other expenses of the Forester Fund in which they are invested including, without limitation, legal, audit and other professional expenses, administration fees and expenses, directors' fees, research expenses, investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees, costs associated with foreign exchange transactions, organizational expenses, fees paid to Fund Managers with which the Forester Fund invests, fees paid to managers of money market funds in which

the Forester Fund invests, other reasonable expenses related to the purchase, sale or transmittal of the Forester Fund's assets and any extraordinary expenses as determined by Forester in its sole discretion. In addition, some investors in the Forester Insurance Fund will be subject to a policy administration expense reimbursement charged by certain insurance companies.

Investors should refer to the offering memorandum and other governing documents of the applicable Forester Fund for a complete description of fees and expenses charged by such fund.

The Forester Insurance Fund is not charged any asset-based or performance-based compensation by Forester with respect to its direct investments in Forester Partners, L.P. and Forester Diversified Fund, L.P.

In addition, each Forester Fund, as a direct investor in Investment Funds (including certain funds managed by Forester) and money market funds, will indirectly bear its pro rata share of such funds' operating and other expenses including, in addition to those listed above: sales expenses, legal expenses; internal and external accounting, audit and tax preparation expenses; organizational expenses; and any extraordinary expenses.

Forester Partners II, L.P. and Forester Offshore, Ltd. bear a pro rata share of the expenses associated with their direct investments in Forester Partners, L.P. Forester Diversified, Ltd. bears a pro rata share of the expenses associated with its direct investments in Forester Diversified Fund, L.P. Forester Strategic Opportunities, Ltd. and Forester Strategic Opportunities II, Ltd. bear a pro rata share of the expenses associated with their direct investments in Forester Strategic Opportunities, L.P. and Forester Strategic Opportunities II, L.P., respectively.

Forester will pay the administration expenses, audit expenses and certain other operating expenses of the Forester Insurance Fund until the net assets of the fund exceed \$200 million.

The allocation of expenses by Forester between it and any Forester Fund and among the Forester Funds represents a potential conflict of interest for Forester. Forester has adopted an expense allocation policy that is designed to address this conflict. Forester allocates expenses to each Forester Fund in accordance with the Forester Fund's arrangements with Forester (including applicable client disclosures). Forester seeks to allocate shared expenses for products and services benefitting Forester and the Forester Fund and not covered in the Forester Fund's arrangements in a fair and reasonable manner. Forester generally allocates common fund expenses among multiple Forester Funds pro rata based on net assets under management. Forester may deviate from this standard allocation method if it determines that an expense disproportionately benefits a particular Forester Fund or group of Forester Funds.

Item 6. Performance-Based Fees and Side-by-Side Management

As described in Item 5 above, Forester (or an affiliate of Forester) receives performance-based compensation from: (i) A2 and A3 Interest investors in the Forester Funds; (ii) investors in FSO and FSO II, in each case subject to a loss carryforward provision and a 5% per annum hurdle; and (iii) investors in the Co-investment Fund. The receipt of performance-based compensation may create an incentive for Forester to favor FSO, FSO II, the Co-investment Fund or a certain Forester Fund with a high concentration of A2 and A3 Interest investors over other Forester Clients.

Forester has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple funds and accounts and the allocation of investment opportunities. It is Forester's basic policy that no Forester Client shall receive preferential treatment over any other Forester Client. In allocating securities among the Forester Clients, it is Forester's policy that all Forester Clients should be treated fairly on an overall basis. Because of the differences in investment objectives and strategies, risk tolerances, tax status, domicile and other criteria of the Forester Clients, there may, however, be differences among the Forester Clients in invested positions and securities held. Forester

will take into account a number of factors in allocating securities among the Forester Clients. In the event capacity in an investment is not adequate to fill the positions for each participating Forester Client in full, Forester may allocate the investment: (i) based on the initial purchase request of the Forester Clients; (ii) pro rata based on assets under management; or (iii) in any manner Forester considers to be fair on an overall basis to all of the Forester Clients. In addition, the performance of similarly managed Forester Clients, if any, is also regularly compared to determine whether there are any unexplained material discrepancies. The allocation policies and procedures and review of similarly managed Forester Clients are monitored by Forester's Chief Compliance Officer.

Forester has enacted policies and procedures intended to address conflicts of interests related to the performance compensation charged by FSO and FSO II. The performance-based compensation charged by FSO and FSO II may create an incentive for Forester to have the other Forester Funds increase their Strategic Investments so that FSO and/or FSO II receive(s) a higher overall fee. Forester will mitigate this risk by rebating to the other Forester Funds excess incentive fees related to a Revenue Share resulting from additional investments in Strategic Investments by other Forester Funds.

Item 7. Types of Clients

Forester currently provides investment advisory services to the Forester Clients. Investment advice is provided directly to the Forester Funds and not individually to investors in the Forester Funds.

Investors in the Forester Funds are based in the U.S. and outside of the U.S. and consist of endowments, foundations, charitable organizations, pension and profit sharing plans, high net worth individuals, private funds, family offices, trusts, estates, corporations, insurance companies and other business entities. Forester does not have a minimum size for a Forester Fund.

Although Forester does not maintain a specific minimum dollar value of assets or other formal requirements for opening or maintaining a separately managed account, Forester's account services are directed toward institutional investors who are prepared to invest a substantial amount in any such account.

With respect to each Forester Fund, initial and additional subscription minimums are disclosed in the relevant fund's offering memorandum. The respective minimum initial and subsequent investment amounts are subject to waiver or reduction in the sole discretion of Forester.

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

As noted in Item 4 above, Forester provides investment advisory services to the Forester Clients. Each Forester Client (other than the Co-investment Fund) invests (directly or indirectly) in a diversified group of Investment Funds. The Forester Clients generally invest with Fund Managers who employ a classic hedge fund approach by investing in long and short positions, typically in equity securities, and may utilize leverage to magnify the effects of stock selection. In certain cases, the Forester Funds will make Strategic Investments and receive Revenue Share in respect of such Fund Managers. In connection with these Strategic Investments, the Forester Funds will also seek fee discounts, expense caps and capacity rights. Forester Diversified Fund, L.P. also invests with absolute return oriented Fund Managers. FSO and FSO II exclusively make Strategic Investments and receive the Revenue Share with respect to such Fund Managers. As noted in Item 4 above, the Co-investment Fund invests in co-investment and similar opportunities identified by Fund Managers, either directly or through special purpose vehicles offered by the Fund Managers.

Forester Partners II, L.P. and Forester Offshore, Ltd. indirectly invest in Investment Funds through the investment of substantially all of their investable assets in Forester Partners, L.P. Forester Diversified, Ltd. indirectly invests in Investment Funds through the investment of substantially all of its investable assets in Forester Diversified Fund, L.P. Forester Strategic Opportunities, Ltd. and Forester Strategic Opportunities II, Ltd. indirectly invest in Investment Funds through the investment of substantially all of

their investable assets in Forester Strategic Opportunities, L.P. and Forester Strategic Opportunities II, L.P., respectively. The Forester Insurance Fund is primarily invested in Forester Partners, L.P. and Forester Diversified Fund, L.P. In addition, the Forester Insurance Fund invests directly with long/short equity and absolute return oriented Fund Managers.

Forester's analytical process includes both quantitative and qualitative elements. In selecting Fund Managers, Forester is primarily focused on three key areas: people, security selection, and portfolio management. Forester typically conducts reference checks on investment professionals to verify their quality and skill and seeks to partner with Fund Managers that have strong investment experience and interests that are aligned with Forester Clients. Forester looks for Fund Managers believed to have superior security selection that includes a rigorous fundamental analysis of company accounting, as well as a deep understanding of industry dynamics and the competitive landscape. Forester often reviews individual holdings with portfolio managers and analysts of Fund Managers to determine the depth and quality of their work. Forester seeks Fund Managers that display a strong ability to manage risk and adhere to appropriate exposure constraints. Forester often analyzes past performance within the context of an Investment Fund's exposures and attribution to analyze how the track record was achieved. In addition to the aforementioned areas, Forester evaluates the organizational structure, operational and back office capabilities, and the legal documentation (including advisory fees and liquidity terms) of each Fund Manager.

The following summary identifies the material risks related to Forester's investment strategies and should be carefully evaluated before making an investment with Forester. Forester's methods of analysis involve a risk of loss to the Forester Clients and such clients and investors therein must be prepared to bear the loss of their entire investment. However, the following does not intend to identify all possible risks of an investment with Forester or provide a full description of the identified risks. Investors and potential investors in a Forester Fund should refer to the offering memorandum for such fund for a further discussion of the applicable risks. The information contained herein is a summary only and is qualified in its entirety by such documents.

Multiple Fund Managers. Because the Forester Clients invest with Fund Managers who make their trading decisions independently, it is possible that one or more of such Fund Managers may, at any time, take positions which may be opposite of positions taken by other Fund Managers. It is also possible that the Fund Managers retained by the Forester Clients may on occasion be competing with each other for similar positions at the same time. Also, a particular Fund Manager may take positions for its other clients which may be opposite to positions taken for the Forester Clients. Although Forester seeks to obtain diversification by investing with a number of different Fund Managers with different strategies or styles, it is possible that several Fund Managers may take substantial positions in the same security or group of securities at the same time. This possible lack of diversification may subject the investments of the Forester Clients to more rapid changes in value than would be the case if the assets of the Forester Clients were more widely diversified.

Performance-Based Compensation Arrangements with Fund Managers. Forester Clients typically enter into arrangements with certain Fund Managers which provide that such Fund Managers be compensated, in whole or in part, based on the appreciation in value (including unrealized appreciation) of the account during specific measuring periods. These performance-based compensation arrangements may create an incentive for such Fund Managers to make investments that are riskier or more speculative than would be the case in the absence of these performance-based compensation arrangements. A Forester Client may be required to pay a performance-based fee to any Fund Managers who make a profit for such Forester Client in a particular fiscal year even though such Forester Client may in the aggregate incur a net loss for such fiscal year.

Activities of Fund Managers. Although Forester seeks to select only Fund Managers who will invest the Forester Clients' assets with the highest level of integrity, Forester has no control over the day-to-day operations of any of its selected Fund Managers. As a result, there can be no assurance that every Fund Manager engaged by the Forester Clients will conform his or her conduct to these standards.

Limits on Information. Forester selects Fund Managers based upon the factors described above. Forester will request detailed information from each Fund Manager regarding the Fund Manager's historical performance and investment strategy. However, Forester may not always be provided with detailed information regarding all the investments made by the Fund Managers because some of this information may be considered proprietary information by Fund Managers.

Side Letters. Certain of the Forester Funds have and may in the future enter into additional agreements, or "side letters," with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the partnership or fund. For example, such terms and conditions may provide for special rights to make future investments in the Forester Fund, other investment vehicles or managed accounts; special redemption rights, including those relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the investor and/or other terms; rights to receive reports from the Forester Fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Forester Fund and such investors. The modifications are solely at the discretion of the Forester Fund and may, among other things, be based on the size of the investor's investment in the Forester Fund or affiliated investment entity, an agreement by an investor to maintain such investment in the Forester Fund for a significant period of time, or other similar commitment by an investor to the Forester Fund. Also, investors will have no recourse against a Forester Fund, the applicable Forester Fund's general partner, Forester or their respective affiliates in the event that certain investors receive additional or different rights or terms pursuant to such side letters, some of which may impact the rights and/or increase the obligations of other investors.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while Forester currently enters into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Forester Clients than if Forester did not engage in any such hedging transactions. There can be no assurances that Forester will continue to enter into hedging transactions in the future or that any such hedging transactions will be successful.

Drawbacks of Emerging Fund Managers. The Fund Managers retained by the Forester Funds may have limited or no performance histories in operating their own respective management companies (although such Fund Managers generally have significant prior experience in the securities industry). Therefore, such investments may involve greater risks than investment with more established Fund Managers.

In addition, the risks associated with investments in the Co-investment Fund also include, without limitation, the following:

Lack of Diversification. The Co-investment Fund will not be diversified among a wide range of types of securities or industry sectors. Each particular series of the Co-investment Fund will relate to a single issuer. Accordingly, an investment in the Co-investment Fund is subject to more rapid change in value than would be the case if Forester were required to maintain a wider diversification among types of securities or sectors.

Investments in Less Established Companies. The Co-investment Fund invests, either directly or through special purpose vehicles, in the securities of less established companies or early stage companies. Investments in such early stage companies may involve greater risks than are generally associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of the Co-investment Fund's entire investment.

Valuation of Investments. Market prices will not be readily available for most investment vehicles or securities in which the Co-investment Fund invests. Forester's valuation procedures provide that the fair value of any investments in special purpose vehicles ordinarily will be the value determined by each Fund Manager in accordance with the Fund Manager's valuation policies and provided to the Co-investment Fund. Although Forester reviews the valuation procedures used by the Fund Managers, Forester has little or no means of independently verifying valuations provided by the Fund Managers. In calculating their net asset value, although the Co-investment Fund may consider other relevant factors, the Co-investment Fund will rely substantially on the values of the investments reported by the Fund Managers themselves. The Co-investment Fund may not have information about the securities in which the Fund Managers invest or their valuation.

Limited Withdrawal Rights. Because withdrawals from the Co-investment Fund are generally not permitted, and because interests in the fund are not tradeable, and furthermore, due to the fact that proceeds will only be paid upon the realization of a particular co-investment, under the particular terms of such investment (and may be paid exclusively in-kind), an investment in the Co-investment Fund is an illiquid investment and involves a high degree of risk.

In addition, the risks associated with investments in FSO and FSO II also include, without limitation, the following:

Lack of Diversification. FSO and FSO II's underlying investment portfolio may not be diversified among a wide range of types of securities or types of issuers. Accordingly, FSO and FSO II's investments may be subject to more rapid change in value than would be the case if it was required to maintain a wide diversification among types of securities and other instruments and types of issuers.

Failure to Fund Capital Commitments; Consequences of Default. If investors fail to fund their capital commitments when due, FSO and FSO II's ability to complete its investment program or otherwise to continue its operations may be substantially impaired. A default by a substantial number of investors or by one or more investors who have made substantial capital commitments would limit opportunities for investment diversification and likely would reduce FSO and FSO II's returns. If an investor fails to fund any of its capital commitment when required, such investor's interest in the relevant fund may be diminished and/or forfeited.

In addition, investors in the Forester Clients are subject to risks arising from the investment activities of Fund Managers and, as applicable, the Co-investment Fund, including the following:

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Short Selling Risk. The Fund Managers' investment programs may include a significant amount of short selling. Short selling transactions expose the Fund Managers to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and effectively without limit. There is the risk that the securities borrowed by the Fund Manager in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Fund Manager might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Leverage. Performance may be more volatile if a Fund Manager employs leverage.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject Fund Managers' portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

Derivatives. Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instruments, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Fund Managers. Further, to the extent transactions in derivative instruments are not undertaken on recognized exchanges, the Fund Managers will be exposed to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Additional risks related to Forester include:

Cybersecurity Risk. The information and technology systems of Forester and of key service providers to Forester and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Forester has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for Forester to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Forester or Forester Client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information. In addition, Forester may incur substantial costs related to investigation of the origin and scope of a cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

Risk Management Failures. Although Forester attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by Forester, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of the Forester Clients may be incomplete or altogether ineffective. Similarly, Forester may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to investors.

Systems and Operational Risk. Forester relies heavily on certain financial, accounting, data processing and other operational systems and services that are employed by Forester and/or by third-party service

providers, including custodians, the third-party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. In addition, despite certain measures established by Forester and third-party service providers to safeguard information in these systems, Forester, the Forester Clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, liability under applicable law, regulatory intervention or reputational damage.

Effects of Health Crises and Other Catastrophic Events. Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future lead to increased short-term market volatility and may have adverse long-term effects on the U.S. and world economies and markets generally, which may have an adverse effect on Forester Client investments and Forester's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for businesses in a given region or globally. In addition, under such circumstances the operations of Forester, Fund Managers and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

Item 9. Disciplinary Information

This Item is not applicable to Forester.

Item 10. Other Financial Industry Activities and Affiliations

Forester Performance, L.L.C., an affiliate of Forester, is registered as a commodity pool operator with the Commodity Futures Trading Commission with respect to Forester Partners, L.P. Trent A. Carmichael is registered as an associated person of Forester Performance, L.L.C.

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

Forester has adopted a Code of Ethics (the "Code") that obligates Forester and its related persons to put the interests of the Forester Clients before their own interests and to act honestly and fairly in all respects in their dealings with the Forester Clients. The Code has been designed to comply with the requirements of Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Among other things, the Code requires all Forester personnel to: (i) comply with applicable Federal securities law; (ii) submit reports to Forester containing personal securities holdings and transactions in reportable securities (as further described below); (iii) preclear transactions in reportable securities (as further described below); and (iv) disclose any outside business activities. Investors and prospective investors may obtain a copy of the Code by contacting Daniel P. Ricciardi (Chief Compliance Officer) by email at legal@forestercapital.com, or by telephone at 203-983-7380.

Forester also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. Forester's insider trading policies prohibit it and its personnel from trading for the Forester Clients or themselves, or recommending trading in securities of a company while in possession of material, non-public information ("Inside Information") about the company, and from disclosing such information to any person not entitled to receive it. Among other things, the policies and procedures seek to control and monitor the flow of Inside Information to and within Forester and prevent trading based on Inside Information.

By reason of their responsibilities in connection with other activities of Forester, Forester personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Forester Funds will not be free to act upon any such information. Due to these restrictions, a Forester Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Forester and its related persons may, with the approval of the Chief Compliance Officer, invest with Fund Managers that Forester recommends to the Forester Clients. These investments, if any, may occur on or about the same time that, but generally not before, Forester recommends the Fund Managers to the Forester Clients. Investments by Forester and its related persons with Fund Managers present a conflict of interest when a Fund Manager has limited capacity and is not willing to accept all capital that the Forester Clients, Forester and its related persons wish to invest. In such case, Forester would have a financial incentive to allocate the opportunity to the greatest extent possible to Forester and its related persons and investors in the Forester Clients would be adversely affected by such allocation. In addition, a conflict of interest may exist when Forester and its related persons withdraw or redeem from a Fund Manager that it recommends to the Forester Clients. Withdrawals or redemptions by Forester and its related persons from a particular Fund Manager could, in certain cases, adversely affect the Forester Clients that are invested in such Fund Manager. Significant withdrawals or redemptions could cause portfolio damage, depletion of liquidity, costly portfolio rebalancing, imposition of withdrawal “gates” and under-allocation to certain positions. Forester has adopted the following procedures in an effort to minimize such conflicts: Forester requires its related persons to preclear all transactions in reportable securities (which includes investments in Fund Managers) in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if the Chief Compliance Officer believes that the transaction will have any adverse economic impact on the Forester Clients. All of Forester’s related persons are required to disclose their reportable securities transactions on a quarterly basis and holdings on an annual basis. All of Forester’s related persons are also required to submit a quarterly certification of all transactions in reportable securities in which they engage. Trading in employee accounts is reviewed by the Chief Compliance Officer (or his designee) and compared with transactions for the Forester Clients.

Forester and its related persons may invest directly in the Forester Funds. This may create a conflict of interest as Forester and its related persons may have a financial incentive to favor Forester Funds with a higher concentration of investments by Forester and its related persons over other Forester Clients. In addition, as previously disclosed, Forester and its related persons may have a financial incentive to favor Forester Clients that pay higher compensation, including performance based compensation, to Forester. Forester has adopted the allocation policies and procedures discussed in Item 6 in an effort to minimize these conflicts.

Item 12. Brokerage Practices

The Forester Clients primarily engage in private transactions that are not effected through brokers (i.e., Regulation S offerings and Regulation D offerings). However, as noted in Item 4, Forester Diversified, Ltd., Forester Strategic Opportunities, Ltd. and Forester Strategic Opportunities II, Ltd. currently invest in forward contracts and engage in spot currency transactions in seeking to hedge currency exposure attributable to shares that are not denominated in U.S. dollars. There can be no assurances that Forester will continue to enter into currency hedging transactions in the future. When selecting brokers to execute such hedging transactions and determining the reasonableness of the broker-dealer’s compensation, Forester considers a number of factors. These factors include, without limitation, net price, reputation, financial strength and stability, efficiency of execution and error resolution. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer’s compensation, Forester need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Forester’s practice to negotiate “execution only” commission rates. Forester’s Chief Compliance Officer periodically evaluates the broker-dealer(s) used by Forester to execute trades for Forester Diversified, Ltd., Forester Strategic Opportunities, Ltd. and Forester Strategic Opportunities II, Ltd. using the foregoing factors.

Forester does not have any soft dollar or directed brokerage arrangements.

Item 13. Review of Accounts

Each Forester Client is reviewed by the Managing Member and members of Forester's Research Team on an ongoing basis to determine whether investments with Fund Managers should be maintained, increased or reduced in view of current market conditions. Matters reviewed include existing and prospective Fund Managers' adherence to investment guidelines and each Forester Client's performance.

Forester Fund investors are provided with the following written reports: (i) monthly statements and transparency reports; (ii) quarterly letters and transparency reports; and (iii) annual audited year-end financial statements. Investors in Forester Partners, L.P., Forester Partners II, L.P., Forester Diversified Fund, L.P., Forester Strategic Opportunities, L.P., Forester Strategic Opportunities II, L.P. and Forester Co-investment, L.P. will also be furnished with Schedule K-1s annually.

Item 14. Client Referrals and Other Compensation

This Item is not applicable to Forester.

Item 15. Custody

Forester and related persons are deemed to have custody of certain of the Forester Funds' assets. Forester and such affiliates comply with Rule 206(4)-2 under the Advisers Act by meeting the conditions of the pooled vehicle annual audit provision thereunder.

Forester does not have custody of client securities or assets in the case of either the Forester Insurance Fund or the Advisory Client, other than the Advisory Client's investments in the Holding Company.

Item 16. Investment Discretion

Forester provides investment advisory services on a discretionary basis to the Forester Funds. Among other things, Forester is authorized to determine the Fund Managers with which the Forester Funds will invest (subject to restrictions set forth in the offering memorandum and/or governing documents of the applicable Forester Fund) and to determine the amount invested with such Fund Managers. As explained in Item 4, individual investors in the funds managed by Forester do not have the ability to impose limitations on Forester's discretionary authority.

As discussed in Item 6, Forester has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple funds and the allocation of investment opportunities. It is Forester's basic policy that no Forester Client shall receive preferential treatment over any other Forester Client. In allocating securities among Forester Clients, it is Forester's policy that all Forester Clients should be treated fairly on an overall basis. Because of the differences in investment objectives and strategies, risk tolerances, tax status, domicile and other criteria of Forester Clients, there may, however, be differences among Forester Clients in invested positions and securities held. In the event capacity in an investment is not adequate to fill the positions for each participating Forester Client in full, Forester may allocate the investment: (i) based on the initial purchase request of the Forester Client; (ii) pro rata based on assets under management; or (iii) in any manner Forester considers to be fair on an overall basis to all Forester Clients. In addition, any profits and losses arising from a Fund Manager's investment in new issues will be allocated to investors in the Forester Funds pursuant to applicable regulations.

Forester may provide Forester Clients or investors in Forester Funds with the opportunity to co-invest in certain investments to which Forester has access. Participation in such opportunities may be limited to a select number of clients or investors based on Forester's consideration of factors, including but not limited to: (i) whether the potential co-investor has expressed an interest in participating in co-investment

opportunities or has previously participated in a co-investment opportunity; (ii) Forester's evaluation of the potential co-investor's size and financial resources; (iii) the ability of the potential co-investor to expeditiously participate in the investment opportunity without harming or otherwise prejudicing the other clients participating; (iv) whether Forester believes that allocating the investment opportunity to a potential co-investor will help establish, recognize or strengthen relationships that may provide indirectly longer-term benefits to current or future clients or to Forester; (v) any confidentiality concerns Forester has that may arise in connection with providing the potential co-investor with specific information regarding an investment opportunity in order to allow it to evaluate the opportunity; and (vi) other factors deemed relevant by Forester. Co-investment opportunities may not be available to all Forester Clients or investors in Forester Funds.

Forester effects cross transactions between Forester Funds, except as otherwise noted below. Cross transactions enable Forester to transfer an investment in a Fund Manager from one Forester Fund to another Forester Fund. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed funds remain substantially similar. Forester has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Forester has adopted the following procedures in an effort to minimize such conflicts: (i) cross transactions are only effected after determining that such transactions are suitable and appropriate for each participating fund; and (ii) cross transactions are effected at net asset value of the Investment Fund unless an alternative valuation is approved by the Chief Compliance Officer. Cross transactions between Forester Funds are not permitted if they would constitute principal trades or trades for which Forester or its affiliates are compensated as a broker unless the appropriate consent of investors in the applicable funds has been obtained.

If it appears that a trade error has occurred, Forester will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines or restrictions occur, Forester's error correction procedure is to seek to ensure that the Forester Funds are treated fairly on an overall basis. Forester has discretion to resolve a particular error in any appropriate manner that is consistent with the above-stated policy. In the event that a Forester Fund incurs a trade error as a result of Forester's gross negligence or willful misconduct, Forester will reimburse such Forester Fund. Forester is not responsible for the errors of third parties unless otherwise expressly agreed to by Forester.

Item 17. Voting Client Securities

Forester has been delegated proxy voting authority on behalf of the Forester Funds. Forester complies with its proxy voting policies and procedures that are designed to ensure that such proxies are voted in the best interests of the Forester Funds. Forester generally receives proxies that contemplate matters related to the operative terms and business details in Investment Funds.

Forester has not been delegated proxy voting authority on behalf of the Advisory Client.

If a material conflict of interest between Forester and a Forester Fund arises, Forester will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of such Forester Fund or take some other appropriate action. In making this determination, the Chief Compliance Officer can retain independent fiduciaries, consultants, or other professionals to assist with voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Forester Fund investors may obtain a copy of Forester's proxy voting policies and procedures, as well as information about how Forester voted such Forester Fund's proxies by contacting Daniel P. Ricciardi (Chief Compliance Officer) by email at legal@forestercapital.com, or by telephone at 203-983-7380.

Item 18. Financial Information

This Item is not applicable to Forester.

Item 19. Requirements for State-Registered Advisers

This Item is not applicable to Forester.