

Garden Investment Management, L.P.

Form ADV Part 2A Firm Brochure

73 Arch Street
Greenwich, CT 06830

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Garden Investment Management, L.P. (the “Adviser” or “Garden Investments” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm’s Chief Compliance Officer at compliance@gardeninvestments.com and/or 203-242-8370. 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 the Firm is available on the SEC’s website at www.adviserinfo.sec.gov.

The Firm is an investment adviser registered with the SEC. Registration of an investment adviser with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

We filed our initial brochure in July 2024. While this Brochure contains changes and updates to certain information, we do not believe that any such changes are material. In the future, Item 2 will discuss material changes that have been made since our last annual update filing and will provide a summary of those changes that are reflected in the updated brochure.

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Item 4. Advisory Business

Garden Investment Management, L.P. (the “Adviser” or “Garden Investments” or the “Firm”), a Delaware limited partnership, is a newly formed investment advisory firm founded in 2024 by Ed Garden, Chad Fauser and Brian Jacoby.

The Adviser provides investment advisory services to Adviser-sponsored pooled investment vehicles (collectively, the “Funds” or each a “Fund”). The investment advisory services provided to each Fund are based on the investment objectives and restrictions as set out in a Fund’s offering document. The terms upon which the Adviser serves as investment adviser to a Fund are established at the time each Fund is established and are set out in separate investment management agreements or in the underlying Fund documents. The terms of each investment management agreement and other Fund documents may vary from Fund to Fund. See Item 8 for a discussion of the investment strategies that are employed by the Adviser.

As of November 30, 2024, the Adviser had approximately \$466,500,000 of assets under management. All of these assets are managed on a discretionary basis.

Item 5. Fees and Compensation

The Adviser generally receives management fees and performance fees (or allocations) in connection with the investment advisory services it provides to the Funds. Management fees and performance fees payable to the Adviser by a Fund are established by the Adviser at the time of the establishment of a Fund and may vary among each Fund or classes within a Fund. Specific details of such compensation and its method of calculation are set out in the investment management agreements and/or underlying governing documents (including offering materials) of the relevant Fund. Management fees generally are calculated and payable quarterly in advance based on a Fund’s assets on the first business day of such quarter, typically equal to a percentage of up to 2% per annum of the applicable Fund’s net asset value. Performance fees and allocations generally are calculated and payable or reallocated annually, typically equal to a percentage of up to 20% of the cumulative net profit of an account during the relevant year reduced by a loss recovery account balance, if any. Management fees and performance fees are deducted from each Fund’s assets and are not billed separately.

The amount and method of the calculation of a performance fee or allocation, and of a management fee, may be changed by the Adviser, or the applicable board of directors or general partner(s) of a Fund, at any time with the consent of the Fund’s investors or limited partners. The Adviser, or the applicable board of directors or general partner(s) of a Fund, may waive, reduce or calculate differently the management fee or performance fee or allocation applicable to any investor without the consent of, or notice to, any other investor.

In addition to the management fees and the performance fees, each Fund will bear the costs, expenses and liabilities that in the good faith judgment of the general partner of a Fund are incurred by or arise out of the operation and activities of the Fund (“Fund Expenses”), including, without limitation:

- (a) out-of-pocket fees and expenses relating to consummated investments, including, (i) the sourcing, bidding, evaluating, purchasing, trading, settling, maintaining custody, monitoring, acquisition, holding and sale of thereof, (ii) fees and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of any investment or otherwise facilitating the Fund's investment activities, including without limitation any overhead expenses related to such entity, (iii) travel, meal and lodging expenses incurred in connection with the preliminary investigation of potential investment opportunities and (iv) travel, meal, lodging and other ordinary course of business expenses of monitoring of investments;
- (b) out-of-pocket fees and expenses (including travel and lodging expenses) associated with activist campaigns such as fees and expenses related to event hosting and production, public presentations, creating and maintaining informational websites, public relations, public affairs and government relations, forensic and other analyses and investigations, proxy contests, solicitations and tender offers, and compensation, indemnification, and other fees and expenses of any nominees proposed by the Adviser as directors or executives of the portfolio company and/or fees and expenses (including travel and lodging expenses) relating to unaffiliated advisers, consultants, and finders and/or introducers;
- (c) an amount equal to 100% of all premiums for insurance protecting the Fund and any indemnified persons from liabilities to third persons in connection with Fund affairs to the extent such premiums cover liabilities with respect to actions or omissions of the Fund or of any indemnified person that would otherwise be subject to indemnification by the Fund;
- (d) (i) out-of-pocket legal, Fund-related public relations, custodial and accounting expenses of third-party service providers, experts, advisors, consultants, engineers and other professionals and service providers, including fees, costs and expenses associated with the preparation of amendments of a Fund's underlying documents and the solicitation of consent to such amendments, preparation, printing and distribution of the Fund's financial statements, tax returns and Schedule K-1s, (ii) any costs and expenses of all legal and regulatory compliance obligations under U.S. federal, state, local, non-U.S. or other laws and regulations directly related to the making, holding or disposing of investments by the Fund (whether such compliance obligations are imposed on the Adviser, the general partner, their affiliates or the Fund), including, without limitation, the preparation and filing of (a) Form PF under the Investment Advisers Act of 1940, as amended (the "Advisers Act") (b) Form 13F, Form 13H, Section 16 filings, Schedule 13D filings, Schedule 13G filings and other filings, in each case under the Exchange Act, (c) TIC Form SLT filings, (d) materials required under FATCA and FinCEN reporting requirements applicable to the Fund, (e) CFTC Rule 4.13(a)(3) notice of claim, Form CPO-PQR, Form CTA PR and NFA Form PQR filings, (f) filings under the Hart-Scott-Rodino Antitrust Improvements Act and other antitrust laws and regulations, (g) any other Fund-related compliance obligations (including Form ADV, blue sky filings, registration statement filings, and cost related to any inquiry, investigation or proceeding involving the Fund), and (h) any other forms, schedules or other filings with governmental and self-regulatory agencies directly related to the making, holding or disposing of investments by the Fund, and the costs and expenses of any custodian and/or depositary appointed by the general partner or its affiliates in relation to the safeguarding, administering and/or holding (or similar) of investments and/or registrations, licenses, notices, reports and/or filings prepared in connection with

the laws and/or regulations of jurisdictions in which the Fund engages in activities, including any registrations, licenses, notices, reports and/or filings required in accordance with the AIFM Directive and any related regulations, and other notices or disclosures of the Manager and/or its affiliates relating to the Fund and their activities or any national private placement regime in any jurisdiction and incurred in connection with the general partner's or any of its affiliates' compliance with disclosure, reporting and other similar obligations or under the AIFM Directive or any national private placement regime in any jurisdiction, including, for the avoidance of doubt any reporting required in connection with Annex IV of the AIFM Directive ("Fund-Related Compliance Obligation Expenses") (it being understood that, where such Fund-Related Compliance Obligation Expenses relate to the Fund and other funds, clients and/or accounts to which the Fund's general partner, the Adviser or any of their respective affiliates provides investment services, such costs and expenses shall mean the Fund's allocable share thereof as determined in good faith by the Adviser) and (iii) out-of-pocket expenses related to data rooms, investor portals or other websites and accounting systems;

- (e) interest on and fees and expenses arising out of all borrowings, guarantees or other credit support obligations by the Fund, including, but not limited to, the arranging thereof and the costs and expenses of any lenders, investment banks and other financing sources (but excluding any interest incurred in connection with acquiring or holding financial instruments that provide equity-like exposure to the portfolio company (including without limitation, derivatives and swaps));
- (f) out-of-pocket auditing, accounting, banking, consulting and valuation expenses of third-party service providers (including accounting, technology and environmental, social and governance consultants);
- (g) origination fees, syndication fees, research costs (including any third party research costs) and due diligence costs;
- (h) out-of-pocket appraisal expenses of third-party service providers;
- (i) out-of-pocket fees, costs and expenses of any third-party administrators and deal finders;
- (j) costs and expenses of asset managers and other professionals and service providers in respect of portfolio investments;
- (k) extraordinary costs and expenses;
- (l) taxes and other governmental charges, fees and duties payable by the Fund, and costs and expenses associated with third-party tax advisors, tax return preparation or tax audits (including any taxes imposed on or payable by the Fund, any subsidiary of the Fund or any investment of the Fund under subchapter C of Chapter 63 of the Internal Revenue Code (Sections 6221 et seq.) and any regulations and other guidance promulgated thereunder, and any similar state or local legislation, regulations or guidance.);
- (m) costs, losses, claims, damages, liabilities, taxes, expenses (including legal and other professional fees and disbursements), judgments, fines and/or settlements (including the costs of any indemnity or contribution right granted to any placement agent or third-party finder for interests engaged by the Fund or its affiliates);
- (n) costs of reporting to the Fund's limited partners and the general partner;
- (o) fees, costs and expenses incurred in connection with the formation and operation of any advisory committee of the limited partners, including any committee;

- (p) costs associated with any third-party examinations or audits (including other similar services) of the Fund or the Adviser that are attributable to the operation of the Fund or requested by limited partners;
- (q) costs of winding up and liquidating the Fund;
- (r) expenses incurred in connection with complying with the Fund's underlying document and provisions in side letter agreements entered into with limited partners, including "most favored nations" provisions, as well as any costs and expenses incurred in connection with any transaction by which a partner may directly, indirectly or synthetically transfer, pledge, assign, hypothecate, sell, convey, exchange, reference under a derivatives contract or any other arrangement or otherwise dispose of all or any portion of its Interest to any other beneficial owner or other persons (to the extent not reimbursed by the parties to such transfer);
- (s) the fees, costs and expenses of third-party software developers, hardware and software, including as related to risk, research and market data, operations, accounting and the tracking and monitoring of investments (*i.e.*, portfolio management software and general ledger software) utilized in connection with the Fund's investment, operational and accounting activities and related expenses;
- (t) management fees paid to the Adviser;
- (u) the fees, costs and expenses related to any trade error and similar human error involving any transaction in any Fund account, including: (i) the placement of orders (either purchases, sales, covers or shorts) in excess of the amount of securities the Fund intended to trade; (ii) the sale of a security when it should have been purchased; (iii) the purchase of a security when it should have been sold; (iv) the purchase or sale of the wrong security; (v) the purchase or sale of a security contrary to regulatory restrictions or Fund investment guidelines or restrictions; and (vi) incorrect allocations of securities; and
- (v) out-of-pocket fees and expenses of an executive advisory council to the Fund (to the extent established by the Fund's general partner).

For the avoidance of doubt, the Fund Expenses described herein shall not include: all reasonable costs and expenses incurred in connection with the formation and organization of, and sale of interests in, the Fund and the organization of the general partner, as determined by the general partner, including all out-of-pocket legal, tax, accounting, printing, data room, consultation, administrative, travel (including, without limitation, commercial and non-commercial transportation costs (including chartered, private plane, first class or business class travel and private car travel), meal, accommodation and U.S. and non-U.S. filing fees and expenses of the Fund, the general partner or the Adviser (including with respect to any registration or licensing of the Fund, the general partner or the Adviser for marketing under any national private placement or similar regime outside of the United States including those in member states of the European Union, as well as any fees and expenses associated with hiring and maintaining a local distribution agent in any such jurisdictions) ("Organizational Expenses") or costs and expenses incurred by the Adviser in providing for its and the general partner's normal operating overhead, including salaries of the Adviser's employees and rent and other expenses incurred in maintaining the Adviser's place of business and including costs and expenses incurred in connection with obligations in connection with ongoing compliance-related matters and regulatory filings necessary for the Adviser's operation as an investment adviser but not including Organizational Expenses or Fund Expenses ("Adviser Expenses");

provided, that, for the avoidance of doubt, each Fund's Organizational Expenses will be borne by such Fund as set out in such Fund's governing documents; and *further provided*, that, Adviser Expenses shall not include any fees paid to the Adviser or its affiliates for administrative services.

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

The Adviser receives annual performance fees (or allocations) from the Funds it manages. These performance fees, as noted above in "Fees and Compensation," may equal to a percentage of up to 20% of the cumulative net profit of an account during the relevant year reduced by a loss recovery account balance, if any. The Adviser, or the applicable board of directors or general partner(s) of a Fund, may waive, reduce or calculate differently the performance fee or allocation with respect to any investor, including partners, shareholders and employees of the Adviser, a general partner of a Fund or other affiliates.

The Adviser may face a conflict of interest to the extent that it manages a Fund for which it receives a performance fee at the same time as it manages one or more other Funds for which it receives no performance fee or a different level of performance fee. A performance fee arrangement generally entitles an investment adviser to additional compensation based on the performance of the Fund bearing the performance fee. The Adviser may have an incentive to favor Funds or take increased investment risk on behalf of Funds for which it receives a larger performance fee because it could receive greater compensation from such Funds. In addition, due to the method of calculating the performance fees, such fees may be affected by factors within the Adviser's control (*i.e.*, a performance fee is typically dependent, in part, on the unrealized value of certain investments, which could provide an incentive for the Adviser to use higher valuations when calculating the performance fee).

The Adviser has put into place policies and procedures to mitigate the risk of these conflicts of interest and at all times will seek to allocate trades and securities to the Funds in a fair and equitable manner. In addition, each Fund's financial statements, which are used as the basis upon which the performance fee is calculated, will be reported in conformity with U.S. Generally Accepted Accounting Principles and generally requires the fair valuation of investments.

Item 7. Types of Clients

The Adviser provides investment advisory services, as described above in response to Item 4, to the Funds. Each Fund will not be registered or be required to be registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The securities of each Fund will not be registered or be required to be registered under the Securities Act of 1933, as amended and will be privately placed to qualified investors in the United States and elsewhere.

A Fund generally will have a specified minimum investment as set out in the Fund's offering documents. A Fund's general partner or board of directors, in its sole discretion, may generally decline to accept the capital commitment of any prospective or current investor and/or may accept capital commitments of a lesser amount and expects to do so for officers, employees, certain former employees and friends and family of the Adviser and its affiliates.

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

A. INVESTMENT STRATEGIES AND METHODS OF ANALYSIS

The Adviser seeks to achieve superior risk-adjusted returns by investing in opportunities where there is a significant discrepancy between market value and intrinsic value. The Adviser will frequently use activism to close this discrepancy, which may include working with management or other more aggressive steps such as acquiring substantial publicly disclosed stakes in issuers, proposing a restructuring, recapitalization, sale, or other change in strategic direction, seeking potential acquirers, engaging in proxy contests, making tender offers, changing management and other related activities. As further described below, the Adviser primarily employs a fundamental, research-driven, value-oriented approach to identify potential investments.

To achieve its investment objective, the Adviser seeks to utilize the following methods: (i) activist investing; (ii) public-to-private transactions; (iii) “roll-up” transactions; and (iv) opportunistic investing.

Activist Investing. The Adviser focuses on identifying companies that are fundamentally undervalued. Typically, the Adviser targets companies for which both market value differs materially from intrinsic value and the Adviser believes actions can be taken to close the gap.

In those situations, the Adviser will often seek to actively engage management/board members and the shareholder base to create value by leveraging the expertise of the Adviser’s management team. When appropriate, the Adviser will identify, promote and/or seek to undertake specific courses of action to increase shareholder value, including, among others, operational improvements, changes in capital structure and/or capital allocation, management changes and/or various other alternative courses of action.

Public-to-Private Transactions. The Adviser seeks to drive long-term sustainable earnings growth for the benefit of all shareholders. To achieve this goal, the Adviser will engage in transactions to convert a publicly traded company into a private entity by purchasing or acquiring the shares of the publicly traded company in order to effectuate corporate change and increase efficiency of a company’s operations.

“Roll-up” Transactions. In some cases, the Adviser will become involved in “roll-up” transactions, whereby the Adviser will seek to consolidate small companies with high growth potential in particular geographies and/or industries.

Opportunistic Investing. The Adviser relies on fundamental analysis of a company and its industry, competition, risks and opportunities related to the business as well as an extensive understanding of the relevant securities and documentation in its capital structure. The Adviser will seek to profit from opportunistically taking advantage of market dislocations and acquiring undervalued securities. The Adviser will seek to acquire control positions in certain tranches of securities in order to seek fundamental changes to the constituent company, its management team or balance sheet.

B. MATERIAL RISKS OF INVESTMENT STRATEGIES AND METHODS OF ANALYSIS

The investment strategies that the Adviser employs subject a Fund to various risks, including the possible loss of principal. Investing in a Fund involves the risk that the Fund may not achieve its investment objective. Investors in a Fund should be aware that all investments in securities involve a risk of loss of their investment, which they should be prepared to bear. Below is a discussion of the material risks of significant investment strategies and primary investments of the Funds. For more information about a particular Fund's risks, please see the offering materials for that Fund.

Investors may lose all, or substantially all, of their investment in the Funds.

Risks of Investments in Securities Generally. All securities investments risk the loss of capital. No guarantee or representation is made that a Fund's investment program will be successful. An investment program may involve, without limitation, risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in investment activities. Certain investment techniques of the Funds can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject. In addition, a Fund's investment in securities 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 may invest its assets.

A Fund's methods of minimizing 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.

Activist Investment Strategies. The Adviser may pursue an activist role and seek to effectuate corporate, managerial or similar changes with respect to an investment. The costs in time, resources and capital involved in such activist investments depend on the circumstances, which are only partially within the Adviser's control, and may be significant, particularly if litigation against the Adviser and/or the Funds ensues. In addition, the expenses associated with an activist investment strategy, including potential litigation, expenses related to the recruitment and retention of board members, executives and other individuals providing business assistance to the Adviser in connection with an activist campaign (including, for example, consultants and corporate whistle-blowers) or other transactional costs, will generally be borne by the applicable Fund. Such expenses may reduce returns or result in losses.

The success of the Funds' activist investment strategy may require, among other things: (i) that the Adviser properly identify portfolio companies whose equity prices can be improved through corporate and/or strategic action; (ii) that the Funds acquire sufficient ownership of such portfolio companies at a sufficiently attractive price; (iii) a positive response by the

management of portfolio companies to shareholder engagement; (iv) a positive response by other shareholders to activist investors and the Adviser's proposals; and (v) a positive response by the markets to any actions taken by portfolio companies in response to activist investors. None of the foregoing can be assured.

The Funds, either alone or together with others, may secure the appointment of persons to a portfolio company's board of directors. In doing so, individual(s) (including members, partners, officers, managers, employees or affiliates of the Adviser and their respective affiliates or designees) serving on the board of directors of the portfolio company at the Funds' request will acquire fiduciary duties to the company and to the company's shareholders, members, unitholders, partners or other owners of the company in addition to the duties such persons owe the Funds. Such fiduciary duties may require such individuals to take actions that are in the best interests of the company or its shareholders, members, unitholders, partners or other owners. Accordingly, situations may arise where persons appointed to portfolio company boards may have a conflict of interest between any duties that they owe to the company and its owners, on the one hand, and any duties that they owe to the Funds, on the other hand.

Activist strategies employed by the Adviser in respect of the Funds' investments may prove ineffective for a variety of reasons, including: (i) opposition of the management, board of directors and/or shareholders of the subject company, which may result in litigation and may erode, rather than increase, shareholder value; (ii) intervention of one or more governmental agencies; (iii) efforts by the subject company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror proposed by the Adviser; (iv) market conditions resulting in material changes in securities prices; (v) the presence of corporate governance mechanisms, such as staggered boards, poison pills and classes of shares with increased voting rights; and (vi) the necessity for compliance with applicable securities laws. In addition, opponents of proposed corporate governance changes may seek to involve regulatory agencies in investigating the transaction or the Funds, and such regulatory agencies may independently investigate the participants in a transaction, including the Funds, as to compliance with securities or other laws. This risk may be exacerbated to the extent the Adviser develops and utilizes novel activist strategies. Furthermore, successful execution of an activist strategy may depend on the active cooperation of shareholders and others with an interest in the subject company. Some shareholders may have interests which diverge significantly from those of the Funds and some of those parties may be indifferent to the proposed changes. Moreover, securities that the Adviser believes are fundamentally underpriced or incorrectly priced may not ultimately be valued in the capital markets at prices and/or within the timeframe the Adviser anticipates, even if the Adviser's activist strategy is successfully implemented.

Directorships on Boards of Portfolio Companies. The Funds may obtain rights to participate substantially in and to influence substantially the conduct of management and the board of directors of issuers of securities acquired by it. Members, partners, officers, managers, employees or affiliates of the Adviser and its affiliates or designees may serve as directors of, or in a similar capacity with, companies in which a Fund invests, the securities of which are purchased or sold on behalf of a Fund. In the event that material non-public information is

obtained with respect to such companies or a Fund becomes subject to trading restrictions pursuant to the internal trading policies of such companies or as a result of applicable law or regulations, a Fund may be prohibited for a period of time from purchasing or selling the securities of such companies, which prohibition may have an adverse effect on such Fund.

Control Investments. The Funds may have controlling interests in their portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. In particular, if determined to be a direct owner or operator of any of the portfolio company's facilities or operations, the Funds could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, the Funds might suffer significant losses. While a Fund's general partner intends to manage the Fund in a manner that will minimize the exposure of these risks, the possibility of successful claims against a Fund and its affiliates cannot be precluded.

Public-to-Private Transactions. The Funds seek to engage in public-to-private transactions with respect to certain issuers in which the Funds have an investment. Such transactions involve risks of litigation challenging the proposed transaction, heightened U.S. state and U.S. Federal law disclosure requirements, a potentially lengthy and complex transaction process and increased costs associated with each of the foregoing. Other factors beyond the control of the Adviser in such transactions include changes in the stock market and competing offers for the company. Changes in the availability of debt financing may also hinder the success of a potential public-to-private transaction. There can be no assurance that the Funds will be able to successfully execute a contemplated public-to-private transaction, in which case the Funds' performance could be adversely affected.

In addition, the Adviser may be presented with a conflict of interest between the duties that it owes to the Funds that seek to take a company private, on the one hand, and certain other clients who have a preexisting investment in the issuer, on the other hand. For example, the Adviser would be presented with a conflict of interest with respect to the price and terms on which a public-to-private transaction occurs to the extent that certain other clients receive cash as part of such transaction, rather than continuing to hold an interest in the company following the transaction alongside the Funds. In situations where the interests of the Funds seeking to take a company private differ materially from the interests of such other clients, and an actual or perceived conflict of interest exists, the Adviser or the general partners of the affected Funds may refer such situation to an investor committee or another independent representative and/or implement additional procedures intended to address such conflict.

Regulatory Restrictions. The investment strategies pursued by the Funds may be affected by applicable U.S. state and federal laws and regulations governing the beneficial ownership of public securities. For example, the Funds may be required to make filings pursuant to Section 13(d), 13(g) and/or 16 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the rules and regulations promulgated thereby. Such laws and regulations may inhibit the Funds' ability to freely acquire and dispose of certain securities, and possibly

subject the Funds to “short swing profits” disgorgement. For another example, on October 10, 2023, the SEC adopted rules to amend how the beneficial ownership of securities is reported. Should a Fund be affected by such rules and regulations, it may not be able to transact in ways that would realize value for the applicable Fund. In addition, any changes to government regulations (such as to Schedule 13D or Hart-Scott Rodino filings) could make some or all forms of activist strategies more difficult to implement, impractical or unlawful. Accordingly, such changes, if any, could have an adverse effect on the ability of a Fund to achieve its investment objective.

Regulation and Enforcement; Litigation. The growth of the private funds industry, and the increasing size and reach of transactions has prompted additional governmental and public attention to the private funds industry and its practices. The SEC sought information and brought enforcement actions against managers regarding the use of third parties by private funds to obtain investments from sovereign wealth funds and their compliance with the Foreign Corrupt Practices Act. The Antitrust Division of the U.S. Department of Justice has previously reportedly issued information requests relating to private funds transactions among multiple fund sponsors. In addition, numerous regulatory initiatives have been launched and significant legislation has been enacted as a result of the severe global market volatility and dislocations, financial institution failures and defaults and large financial frauds in recent years. Regulation generally, as well as regulation more specifically addressed to the private equity industry, including tax laws and regulation, whether in the U.S. or outside of it, could increase the cost of acquiring, holding or divesting portfolio investments, the profitability of enterprises and the cost of operating the Funds or the ability of the Funds to engage in certain transactions. Additional regulation could also increase the risk of third-party litigation. The transactional nature of the business of the Funds exposes the Funds, the Funds’ general partners and the Adviser generally to these risks of third-party litigation.

Reliance on the Adviser. The success of the Funds depends in substantial part on the skill and expertise of key personnel and other employees of the Adviser or its service providers in making and disposing of investments and otherwise managing the affairs of the Funds. There can be no assurance that such personnel or other employees of the Adviser will continue to be available to the Adviser or its service providers throughout the life of the Funds. The loss of key personnel could have a material adverse effect on the Funds.

Investment in Equities. A Fund may invest long and short in equities and equity-related instruments under its investment program. Stocks, options and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve economic leverage and may, in some cases, involve significant risk of loss. “Equity securities” may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts (including shares issued by trusts registered as investment companies under the Investment Company Act), partnerships, joint ventures or limited liability companies and similar enterprises, warrants and stock purchase rights. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that a Fund holds directly or indirectly may decline over short or

extended periods of time. The stock markets tend to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. The volatility of equity securities means that the value of an investment in a Fund may increase or decrease significantly over relatively short periods.

If a Fund purchases equity investments at a perceived discount from their intrinsic value as determined by the Adviser, the Fund runs the risk that the market prices of these investments will not appreciate to that estimated intrinsic value or will decline for a variety of reasons, one of which may be the Adviser's overestimation of the value of those investments.

Distressed Securities. The Funds may invest a significant portion of its assets in portfolio companies that may be in transition, out of favor, financially leveraged or troubled, or potentially troubled and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization, or liquidation. These companies may be experiencing, or are expected to experience, financial difficulties that may never be overcome. The securities of such companies are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule 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. Such investments could, in certain circumstances, subject a Fund to certain additional potential liabilities. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated, or disallowed, or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments by such companies to us could be required to be returned if any such payment is later determined to have been a fraudulent conveyance or a preferential payment. Numerous other risks also arise in the workout and bankruptcy contexts. In addition, there is no minimum credit standard that is a prerequisite to a Fund's investment in any instrument and a significant portion of the obligations and preferred stock in which a Fund may invest may be less than investment grade.

Leverage Risks. In the event that a Fund makes an equity investment, the Adviser may employ debt leverage in connection with such investments. Although the Adviser would seek to use leverage in a manner it believes is prudent (with associated debt obligations that may, for example, be long or short term, or floating or fixed rate), and notwithstanding that the use of leverage would increase the proceeds available for investment by a Fund and thus create an opportunity for a greater yield and increased diversification of the Fund's portfolio, it would also increase the exposure to capital risk and risk of loss on a particular leveraged investment. In addition, fluctuations in market values may significantly decrease the availability and increase the costs of real estate mortgage loans. The ability to obtain financing quickly and on reasonable terms is important to the success of a Fund. In the 2008 financial crisis, many investments which decreased in value caused real property owners to breach "loan to value" or similar covenants in their loan documents regardless of whether property cash flows remained sufficient to service debt, requiring them to pay down outstanding debt or face default at a disadvantageous time for obtaining replacement financing.

A Fund will incur obligations to pay interest and to repay principal on any of its leveraged assets. A Fund may, under some circumstances, be required to liquidate assets to service such interest and principal obligations. If a Fund defaults on indebtedness secured by a particular investment, the lender may foreclose and the Fund could lose its entire investment therein. A Fund may also engage in portfolio financing, whereby several investments are cross-collateralized and multiple investments may be subject to the risk of loss. As a result, a Fund could be divested of performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. In addition, any use of recourse debt will subject the other assets of a Fund to risk of loss. Typically, the cost of fully secured cross-collateralized debt is less expensive than debt where recourse is limited to individual assets. In light of these advantages, the Adviser will have discretion to incur such portfolio financing after weighing the attendant risks.

In addition, use of leverage can, in certain circumstances, result in the reduction of certain tax benefits. The Adviser may, but will not be required, to take into account the tax impacts on any given investor but will seek to act in the manner it deems in the best interests of a Fund as a whole taking into account the fact that multiple partners with differing (and sometimes conflicting) tax needs will be invested in a Fund.

Due Diligence; Information Sources. Before making investments, a Fund's general partner and/or the Adviser will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Investments will often require extensive due diligence activities and regulatory approvals including, without limitation, feasibility and technical studies, preliminary engineering and marketing studies, and legal and environmental review, any or all of which may entail significant third-party expenses. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto. The due diligence investigation that a Fund's general partner and/or the Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return of invested capital. In the event that an investment is not consummated, a Fund may bear some or all third party expenses and any termination fees.

Lack of Liquidity of Investments. The marketability and liquidity of a Fund's investments cannot be assured and certain of the investments to be made by a Fund are likely to be illiquid, in some cases for a significant period of time. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on the resale of investments by the Fund. A Fund's ability to acquire and dispose of its investments will be dependent upon factors outside the Fund's control. Dispositions of Fund investments may be subject to contractual and other limitations on transfer, or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly-traded companies held by a Fund may also be subject to legal or contractual restrictions on resale, including the possibility

that the Fund will be in possession of material non-public information about the company as well as statutory volume limitations. In addition, the ability to exit an investment through the public markets will depend on market conditions, and particularly the market for public offerings.

Uncertain Exit Strategies. Due to the illiquid nature of certain of the positions which a Fund is expected to acquire, as well as the uncertainties of the reorganization and active management process, the Adviser is unable to predict with confidence what the exit strategy will ultimately be for any given investment, or that one will definitely be available. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

General Economic and Market Conditions. A Fund's investment portfolio may include securities issued by privately-held companies and operating results in a specified period will be difficult to predict. In addition, a Fund's investment portfolio may include companies in an early stage of development, which may not have a proven operating history, may face competition from companies with greater resources and may require substantial additional capital to support their operations or to finance expansion. It is expected that the Fund's investment portfolio will also include securities issued by public companies, including privately-held portfolio companies that have consummated IPOs during a Fund's holding period. Public companies are subject to public reporting requirements and, on any given trading day, such requirements could have a significant impact on the valuation of their shares. The foregoing investments involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss.

Geopolitical Events. A Fund's investments may be adversely affected by changes in economic conditions or political events that are beyond its control. For example, a stock market downturn, the outbreak of hostilities or the death of a major political figure may have significant adverse effects on a Fund's investment results. In addition, changes in interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a Fund or considered for prospective investment. Other factors, such as changes in U.S. federal or state laws, U.S. federal or state securities laws, bank regulatory policies or accounting standards, may make certain corporate acquisitions less desirable. Similarly, legislative acts, rulemaking, adjudicatory or other activities of the U.S. Congress, the SEC, the U.S. Federal Reserve Board, the New York Stock Exchange, FINRA or other governmental or quasi-governmental bodies, agencies and regulatory organizations may make the business of the Fund less attractive.

Lack of Suitable Investment Opportunities. Identification and exploitation of investment opportunities and investment strategies by the Adviser involve a high degree of uncertainty. The Adviser makes decisions based on its assumptions, assessments, and estimates, all of which are

subject to error. There can be no assurance that the Adviser will be able to identify and/or successfully take advantage of suitable investment opportunities. Even if the Adviser takes advantage of an investment opportunity, there is a risk that such investment opportunity will result in losses. If the Adviser is not able to identify and/or take advantage of suitable investment opportunities, it may change its risk parameters in order to deploy capital, which may have a material adverse effect on the Adviser's investment strategy. In addition, returns may be reduced if the Adviser is unable to source opportunities it considers appropriate for its investment strategies.

Litigation or Regulatory Investigation in Connection with Investment Strategy. In pursuit of activist investment strategies, the Adviser may determine to use litigation as a course of action. In addition, the Funds and the Adviser may be defendants in lawsuits initiated by third parties, including companies in which the Funds invest, other shareholders or governmental bodies.

In addition, the Adviser may be subject from time to time to formal or informal investigations or inquiries by the SEC and other governmental and self-regulatory organizations in connection with their trading and other activities.

There can be no assurance that any litigation or regulatory investigation will be resolved in favor of, or conclude without potential exposure to, the Funds and/or the Adviser. As a result, the Funds, and/or the Adviser may be exposed to the risk of monetary damages and other sanctions or remedies, or the objective the Adviser is seeking to achieve may be defeated by delaying strategies of the target company. Litigation and regulatory investigations may also require significant amounts of the Adviser's time, and result in significant expenses, including the expense of defending against claims by third parties and paying amounts pursuant to settlements or judgments, all of which would generally be borne by the Funds. Such expenses may be significant and will reduce returns and/or may result in losses.

Cyber Security Breaches and Identity Theft. The Adviser and its portfolio companies' information and technology systems may be vulnerable to 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 the Adviser is expected to implement various measures 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, the Adviser, the Funds and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's, the Fund's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Adviser's, the Fund's and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims or otherwise affect their business and financial performance.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

Item 10. Other Financial Industry Activities and Affiliations

Neither the Adviser nor any of its management persons is registered, or has an application pending to register, as: (i) a broker-dealer; (ii) a registered representative of a broker-dealer; (iii) a futures commission merchant; (iv) a commodity pool operator, (v) a commodity trading advisor; or (vi) an associated person of any of (ii), (iii), (iv) or (v).

As described above, the Adviser serves as the investment adviser to the Funds. Entities that serve as general partners to the Funds organized as limited partnerships are affiliated with the Adviser.

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

A. CODE OF ETHICS AND PERSONAL TRADING

The Adviser has adopted a Code of Ethics (the "Code") in accordance with Rule 204A-1 under the Advisers Act. The Code is based on the Adviser's fiduciary duty to its clients. The fundamental tenants of the Code include: (1) acting in the best interest of clients; (2) conducting personal securities transactions in a manner so as to be consistent with the Code and avoiding any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility; (3) refraining from taking inappropriate advantage of the relationship with the clients; (4) maintaining the confidentiality of security holdings and financial circumstances of clients; (5) maintaining independence in the investment decision making process; and (6) providing accurate disclosure in reports required by auditors, regulators, or government bodies.

As a fiduciary, the Adviser and its employees owe an affirmative duty of care, loyalty and good faith to act in the best interests of its clients. Generally, the Code will impose the following five basic requirements on the Adviser and its employees: (1) their conduct must conform with the fiduciary standards set out in the Code; (2) they must comply with all applicable federal laws, including but not limited to federal securities laws; (3) their personal securities transactions must comply with the Code; and (4) they must obtain prior approval for certain personal securities transactions as described under the Code. The Adviser will forbid the illegal use of material non-public information in trading securities, regardless of whether the trades are executed for client accounts or for a personal securities account.

At the commencement of employment at the Adviser and thereafter at least annually, all access persons, as defined below, are required to sign an acknowledgment that they have received, read and understand all provisions of the Code and agree to be subject to the Code, and any amendments. Access persons are supervised persons who may have access to non-public information regarding a client's purchase or sale of securities or to non-public information regarding portfolio holdings, who may be involved in making securities recommendations to clients, or who may have access to such recommendations that are non-public.

Under the Code, employees' ability to engage in personal securities transactions, if any, is subject to certain conditions and limitations. Generally, the Code requires access persons to obtain pre-clearance of certain transactions in their own personal accounts, as well as accounts held by relatives that are members of their household. In addition, access persons are required to report all investment holdings in these accounts and are also required to report transactions in securities, with limited exceptions, to the Adviser's legal/compliance department no later than 30 days after the end of the calendar quarter. The Code also requires confidential treatment of information acquired by an access person in connection with his or her role with the Adviser as well as reporting of conflicts of interest that arise in their outside business activities or otherwise.

Upon request of a client, the Adviser will provide a copy of the Code.

B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND OTHER POTENTIAL OR ACTUAL CONFLICTS

From time to time, the Adviser, its officers and employees may have a material financial interest in securities that are recommended to clients for purchase or sale and may buy or sell securities that are recommended to clients for purchase or sale. The Adviser recognizes that this practice may result in conflicts of interest.

The Adviser's policy is that neither the Adviser, nor any person in a control relationship with the Adviser, nor any employee of the Adviser shall effect transactions as a principal with any Fund unless such transactions are in compliance with the provisions of Section 206(3) of the Advisers Act.

The Adviser, its affiliates, their employees and relatives of the employees may invest, directly or indirectly, in the Funds. The terms of investment, including economic and liquidity terms, applicable to such investors may be more favorable than the terms available to other investors in a Fund and the other investors will not be provided with notice of such terms or an opportunity to invest on such terms. A Fund and/or the Adviser may enter into side letter agreements 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 a Fund's offering documents. For example, such terms and conditions may provide for special rights to make future investments in a Fund, other investment vehicles or managed accounts; special withdrawal rights or better liquidity; transfer rights; a reduction in the management fee or performance allocation to be borne by the investor; rights to receive reports from a Fund on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions); rights to co-investment opportunities, and such other rights as may be negotiated by a Fund and such investors, that are not generally available to other investors.

The Adviser, its officers, directors and employees may trade securities for their own accounts, including securities held by a Fund. The Adviser, its officers, directors and employees may from time to time take positions in their proprietary accounts that are opposite the positions taken for, or held by, a Fund. The Adviser, its officers, directors and employee may receive

more favorable execution than the Funds. Personal transactions are required to comply with the Code, which is discussed above.

Allocation of Investment Opportunities

There is a potential conflict of interest when determining the allocation of limited investment opportunities across Funds with similar investment mandates. However, none of the Funds currently have similar investment mandates and therefore there is not expected to be an overlap in investment opportunities among the Funds.

These allocation policies are intended to be flexible, may be modified or amended from time to time and are subject to change by the Adviser, in its sole and absolute discretion, without prior notice to investors.

Item 12. Brokerage Practices

A Fund's securities transactions are expected to generate a substantial amount of brokerage commissions and other compensation, which the Funds, and not the Adviser, are obligated to pay. In such cases, the Adviser has complete discretion in deciding what brokers and dealers the Funds will use and in negotiating the rates of compensation the Funds will pay. In addition to using brokers as "agents" and paying commissions, the Funds may buy or sell securities directly from or to dealers acting as principals that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

The Adviser will generally allocate brokerage on behalf of a Fund on the basis of best available execution and in consideration of such broker's provision or payment of the cost of brokerage and research services that are of benefit to such Fund and other clients of the Adviser. If the Adviser determines in good faith that the amount of commission charged by a broker is reasonable in relation to the value of brokerage and research services provided by such broker, the Funds may pay commissions to such broker in an amount greater than the amount another firm might charge. Such brokerage and research services furnished by brokers through which a Fund effects securities transactions may include the cost of investment research, and may be used by the Adviser or its affiliates in advising other Funds and not necessarily such Fund paying such commissions. This may give the Adviser an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than a client's interest in receiving most favorable execution. The Adviser generally intends to comply with Section 28(e) of the Exchange Act with respect to the allocation of brokerage, which permits the use of "soft dollars" in certain circumstances.

The Adviser limits the use of "soft dollars" to obtain services that constitute research and brokerage within the meaning of Section 28(e) of the Exchange Act. Research services within Section 28(e) that the Adviser may receive include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio investments and strategy; data services (including services providing market

data, company financial data and economic data); advice from brokers on order execution; advice from industry professionals, lawyers, tax professionals and accountants regarding actual and potential investments; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post-trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations. Research and brokerage services obtained by the use of commissions arising from a Fund's portfolio transactions may be used by the Adviser in its other investment activities on behalf of another Fund, and thus, a Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. Therefore, the availability of "soft dollars" from certain brokers presents the Adviser with a conflict of interest and may provide incentives for the Adviser to use the services of certain brokers regardless of whether it is in the best interests of a particular Fund.

Certain brokers and custodians may provide capital introduction services whereby the Adviser may be afforded the opportunity to make a presentation regarding services to certain qualified investors identified by the broker or custodian. While the brokers or custodians generally provide such services at no additional cost to the Adviser, the Adviser, and not a Fund, may be the principal or sole beneficiary of those services, thus presenting a potential conflict of interest between a Fund and the Adviser.

The Adviser will determine the selection of particular broker-dealers for securities transactions of the Funds subject to the Adviser's policy to seek best execution for such transactions. The Adviser does not expect to recommend, request or require that a Fund direct it to execute transactions through a specified broker-dealer, nor does the Adviser expect to permit a Fund to direct brokerage.

When the Adviser deems the purchase or sale of securities to be in the best interest of more than one Fund, the Adviser may, but will not be obligated to, aggregate the securities to be purchased or sold. Combining purchase or sale orders in this manner may result in superior execution and/or lower brokerage expenses; however, it may also decrease the prices received or increase the prices required to be paid for the securities sold or purchased. Please refer to Item 11 for a more detailed discussion of the allocation of investment opportunities.

Item 13. Review of Accounts

A. ACCOUNT REVIEWS

The Adviser reviews each Fund's portfolio on a regular basis. The Adviser's investment and business teams are expected to review potential investments and approve all investments made by the Funds. Senior management at the Adviser, and/or supervisory personnel are expected to be responsible for reviewing documents relating to the investment process, trade data, and other reports on a regular basis and for overseeing investment activity.

B. INVESTOR REPORTS

The Funds provide to investors (1) annual audited financial statements within 120 days of the Fund's fiscal year end, (2) at least quarterly, unaudited account balances and performance reports and (3) information necessary for investors to complete U.S. Federal, state and local income tax returns.

Item 14. Client Referrals and Other Compensation

The Adviser shall not participate in arrangements with non-clients that result in the Adviser receiving an economic benefit for providing investment advice or other services to its clients.

The Adviser expects to receive capital introduction services from certain brokers and custodians. The Adviser does not expect to pay for these services, but the Adviser, and not its clients, will be the principal or sole beneficiary of such services. The Adviser is responsible for selecting brokers for the Funds, and negotiating brokerage fees, margin fees, and other fees. Capital introduction services may therefore present a conflict of interest between the Adviser and its clients.

Item 15. Custody

The Adviser is deemed to have custody, as defined in Rule 206(4)-2 under the Advisers Act, of funds or securities of a Fund. The Adviser expects to rely on the "audit exemption" under Rule 206(4)-2(b)(4) under the Advisers Act, which exempts an adviser to a limited partnership, limited liability company or other pooled investment vehicle from the requirement to deliver account statements to its clients if the adviser requires the vehicle to be audited annually by an independent public accountant that is registered with the Public Company Accounting Oversight Board and distributes the audited financial statements annually to the investors in the vehicle.

Item 16. Investment Discretion

The Adviser has discretionary authority to manage the investment accounts of each Fund under the governing documents of the Fund and/or relevant investment management agreements, which customarily do not place limitations on the Adviser's authority to manage the Fund. The authority is given to the Adviser through each Fund's governing documents and/or relevant investment management agreements and may include a power of attorney and appointment for the Adviser to act as an agent for the respective Fund.

Item 17. Voting Client Securities

The Adviser generally will have the authority to vote client securities. In accordance with Rule 206(4)-6 under the Advisers Act, the Adviser will adopt and implement written policies and procedures for voting client proxies it receives. The Adviser's general policy is to vote or abstain from voting proxy proposals, amendments, consents, or resolutions related to client portfolio securities (collectively, "proxies"), in a manner that serves the best interests of its Funds. Clients cannot direct the Adviser's vote in a particular solicitation. In the event of a conflict of interest between the Adviser and our clients, the Adviser will vote proxies in the best interest of our clients.

The Adviser will maintain records for each matter relating to a portfolio security with respect to which a Fund was entitled to vote.

A copy of the Adviser's proxy voting policies and its voting record will be provided to clients upon request.

Item 18. Financial Information

The Adviser shall not require the payment of fees or other compensation six months or more in advance. There exists no financial condition of which the Adviser is currently aware that would impair the Adviser's ability to meet contractual commitments to its clients. The Adviser has not been the subject of a bankruptcy petition within the past 10 years.