

## **Athir Capital LP**

**444 West Lake Street, 44<sup>th</sup> Floor  
Chicago, Illinois 60606**

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This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Athir Capital LP (hereinafter “**Athir Capital**”, “**Athir**”, the “**Management Company**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”) by email at **dan@athircapital.com**. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Athir has applied as an “Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days” with the SEC. Registration as an investment adviser does not imply that Athir or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Athir is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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This Brochure is Athir's initial Form ADV Part 2A, which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes in this section.

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#### Item 4: Advisory Business

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Athir is organized as a Delaware limited partnership with a principal place of business in Chicago, Illinois.

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles. We do not tailor our advisory services to the individual needs of any particular investor.

The following advisory entities are affiliated with Athir Capital LP:

- Arcturus Strategy GP LLC, a Delaware limited liability company (the “**General Partner**” and collectively with any future affiliated general partner entities, the “**General Partners**” and, together with Athir, the “**Managers**”).

Following registration with the SEC, Athir intends to manage the following private, pooled investment vehicles:

- Arcturus Strategy Master LP, a Cayman Islands limited partnership (“**Master Fund**”);
- Arcturus Strategy LP, a Delaware limited partnership (“**Onshore Feeder Fund**”);
- Arcturus Strategy Cayman LP, a Cayman Islands limited partnership (“**Offshore Feeder Fund**”).

The Master Fund, Onshore Feeder Fund, and Offshore Feeder Fund are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”.

The limited partners of the Funds are hereafter collectively referred to as the “**Limited Partners**” or the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective private placement memorandum (each, a “**Memorandum**”) and/or agreement of limited partnership or other operating agreement (each, a “**Partnership Agreement**” and, together with the Memorandum, the “**Offering Documents**”).

We do not currently participate in any Fee Wrap Programs.

Currently, we do not have regulatory assets under management, but we expect to have, within 120 days of the effective date of our initial registration, client assets under management sufficient to allow us to remain eligible for registration with the SEC.

Interests in the Funds are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

## **Item 5: Fees and Compensation**

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Our most common fee arrangements are described below. Please note that our fees do not include brokerage commissions, transaction fees, and other related costs and expenses that are incurred in the course of managing a portfolio of securities. Clients may incur charges imposed by custodians, brokers, exchanges and other third parties. Item 12 of this brochure describes the factors that we consider in selecting broker-dealers for client transactions and determining the reasonableness of brokerage commissions. Any mutual funds or exchange traded funds held in a client portfolio will charge their own administration and management fees, which are disclosed in those funds' prospectuses. Such charges, fees and commissions are exclusive of and, except where Athir is the adviser to such a fund, shall be in addition to the fees described below.

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

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Athir 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 Athir by a Fund are established by Athir 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.

The General Partner is entitled to a performance-based compensation from the Fund in the form of a performance allocation. The performance allocation is a percentage, which ranges from 17.5% to 30.0% in the Fund's standard offered terms, as described in more detail in the Governing Documents.

The performance allocation is normally calculated and allocated to the General Partner at the end of a fiscal year and with respect to any withdrawal by an investor during a fiscal year.

The Fund's performance allocation is generally not negotiable; however, the General Partner may in its sole discretion reduce the performance allocation with respect to particular investors in the Fund. The General Partner, in its sole discretion, may also waive or modify the performance allocation with respect to particular investors in the Fund.

A performance-based allocation arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different incentive arrangement in an effort to receive a greater performance-based allocation.

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

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Our clients are the Funds, as described in Item 4 above, and the Funds are offering Interests to a limited number of investors who meet the relevant eligibility criteria. The General Partner reserves the right, in its absolute discretion, to reject any subscription and/or capital contribution.

Generally, the minimum initial investment in the Funds is \$2.5 million. However, the General Partner may, in its sole discretion, accept lower initial investments from time to time.

This brochure is not an offer for, or a solicitation to buy, any security.

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

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### ***General***

The following is a summary of the investment strategies and methods of analysis generally employed by Athir on behalf of the Funds and a summary of certain risks involved with the investment strategy and an investment in the Funds. More detailed descriptions of the Funds' investment strategies and methods of analysis and risks are included in the applicable Memorandum for each Fund. There can be no assurance that the Managers will achieve the investment objectives of the Funds and a loss of investment may be possible.

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued, and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not currently described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

### ***Investment Objective***

The Fund's investment objective is to compound investor capital through a portfolio that incorporates directional risk, volatility, and trend components to form a discretionary quantitative strategy poised to exploit structural instabilities and passive flows within U.S. equities and fixed income markets. Athir seeks to achieve the Fund's investment objective primarily by investing in sector and factor exchange-traded funds ("**ETFs**"), futures and commodity ETFs, volatility and other exchange-traded products ("**ETPs**") and options on ETFs, among other instruments.

### ***Risk of Loss Factors***

There is high risk associated with an investment in the Fund. An investment in the Fund should only be made after consultation with independent qualified sources of investment and tax advice. No guarantee or representation is made that the Fund's investment program will be successful, achieve its objective or avoid losses. There is a risk that an investment in the Fund will be lost entirely or in part. The Fund is not a complete investment program and should represent no more than a portion of an investor's portfolio management strategy. Among the risks that are involved with an investment in the Fund are the following:

*Potential Loss of Investment.* As is true of any investment, there is a risk that an investment in the Fund will be lost entirely or in part. The Fund is not a complete investment program and should represent no more than a portion of an investor's portfolio management strategy.

*No Operating History.* The Fund, the Master Fund and Athir are newly formed and have no operating histories upon which investors can evaluate their anticipated performance.

*Financing Arrangements; Availability of Credit.* The Fund's use of leverage depends on the availability of credit in order to finance its portfolio. There can be no assurance that the Fund

will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that provide financing to the Fund can apply essentially discretionary margin, financing, security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel the Fund to liquidate all or part of its portfolio at disadvantageous prices. The financing available to the Fund from banks, dealers and other counterparties is likely to be limited in disrupted markets.

*Competition.* The Fund competes with numerous other private investment funds, asset managers and financial institutions (both diversified and specialized funds), as well as other investors, many of which have substantially greater resources than the Fund. Competition from other market participants may impede the Fund's ability to raise and maintain sufficient assets necessary to finance its operations, including the payment of expenses, achieve certain diversification targets or evolve its investment program. Further, such competition may hinder the ability of Athir to recruit and retain personnel to implement the Fund's investment program.

*Devotion of Time.* Athir may perform management services for other Athir clients and may devote substantial time and resources to doing so.

*Increasing Assets Managed by Athir May Adversely Affect Performance.* The rates of return achieved by investment advisers or managers may diminish as the assets under their management increases. Athir has not agreed to limit the amount of capital that it will manage.

*No Formal Diversification Requirements.* While Athir implements a general risk management framework, it is not restricted as to the percentage of the Fund's assets that may be invested with in any particular country, asset class, issuer, instrument, market or strategy. The Fund Offering Documents do not impose any formal fixed requirements for diversifying the Fund's portfolio among countries, asset classes, issuers, instruments, markets, or strategies. Athir has full discretion to allocate capital among strategies and may determine to concentrate such capital in particular strategies from time to time or not allocate capital to particular strategies. Such investment concentrations may increase volatility and cause the Fund to incur greater losses than would be the case if Athir implemented a more diversified portfolio investment approach. Even when the Fund is seeking to diversify the Fund's portfolio, certain risks may be correlated in unanticipated ways, resulting in unintended risk exposures.

*No Material Limitations on Strategies.* THERE ARE NO SUBSTANTIVE LIMITATIONS ON THE STRATEGIES THAT MAY BE EMPLOYED ON BEHALF OF THE FUND. Athir will opportunistically implement whatever strategies it believes from time to time may be best suited to prevailing market conditions and to Athir's investment approach and expertise. Such strategies may involve higher levels of risk than the ones discussed herein. There can be no assurance that Athir will be successful in applying any strategy to the Fund's investing.

*Evolving and New Investment Strategies.* Athir's strategies are expected to evolve. Athir is not restricted from using the Fund's capital to develop or incubate new strategies, even if Athir has limited experience in the type of strategy or in the markets or instruments selected.

The approaches and strategies developed by Athir may not be successful and the resources devoted to the implementation of new approaches or strategies may diminish the effectiveness of Athir's implementation of established strategies.

*Potential Inability to Trade, Report or Manage Risk Due to Systems Failure.* The strategies implemented on behalf of the Fund are dependent to a significant degree on the proper functioning of its internal and external computer, communication and information technology systems. Accordingly, systems failures, whether due to third-party failures upon which such systems are dependent or the failure of Athir's or a third-party's hardware or software that could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential inability to trade or manage risk (even for a short time), could, in certain market conditions, cause the Fund to experience significant trading losses, to miss opportunities for profitable trading or to become subject to particular risk exposures. Any such systems failures also could cause delays in generating reports for investors.

*Execution of Orders.* The Fund's investment strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments selected by Athir. The Fund's investment orders may not be executed in a timely and efficient manner due to various circumstances, including systems failures or human error attributable to the Fund's agents or service providers. In such event, the Fund may be able to acquire only some of the components of such position, or if the overall position were to need adjustment, the Fund may not be able to make such adjustment. As a result, the Fund would not be able to achieve the market position selected by Athir and could incur a loss in liquidating its position.

*Trade Errors.* The Fund bears the cost of any trade errors of Athir with respect to its placing or executing trades for the Fund because Athir considers such errors to be a cost of doing business. Pursuant to the exculpation of liability and indemnification provisions of the Offering Documents, Athir is only obligated to reimburse the Fund for any trade error resulting from Athir's disabling conduct. Athir, subject to its fiduciary obligations, will determine whether any loss resulting from a trade error is required to be reimbursed in accordance with such liability and exculpation provisions. Any positive trade error will be for the benefit of the Fund.

*Disruption of Business.* Although the General Partner and Athir have disaster recovery plans, there can be no assurance that interruptions caused by extraordinary events outside of the control of the General Partner and Athir, including acts of God (e.g., fire, flood, earthquake, storm, hurricane or other natural disaster), acts of war (e.g., war, invasion, acts of foreign enemies, hostilities, insurrection, or terrorist activities, whether or not war is declared), pandemics and similar health disasters, financial system disruptions (e.g., bankruptcy filing or operational failure by a major financial institution, including a bank, broker-dealer, clearing agent, administrator, investment manager or securities or derivatives exchange), would not have an adverse effect on the Fund or its investment program. Such disruptions could result in adverse effects on the Fund's operations, the value of its investments and the ability of the Fund to trade its portfolio.

*Cybersecurity Breaches.* The Fund, like all businesses dependent on information technology systems, is subject to risks associated with a breach in its cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from "hacking" by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data, as well as misappropriation of confidential information. If a cybersecurity breach occurs, the Fund may incur substantial costs (on behalf of itself, the



General Partner or Athir), including those associated with: forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, investment losses from sabotaged trading systems, identity theft; unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information, and reputational damage. Any such breach could expose the General Partner, Athir and the Fund to civil liability, as well as regulatory inquiry and/or action. Any such breach could also cause substantial withdrawals from the Fund. In addition, Investors could be exposed to further losses as a result of unauthorized use of their personal information. Given our reliance on quantitative trading strategies, Athir is particularly susceptible to the risk of cybersecurity breaches.

The General Partner, Athir or the Fund will purchase cybersecurity insurance coverage. However, there can be no guarantee that every potential loss due to cyberattack or theft of information could be insured against, nor that the limits of any insurance policy that may be acquired would be sufficient to cover all such losses.

*Market Risks in General.* The Fund's strategies will always be subject to some dimension of market risk, including directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, changes in credit spreads, equity prices, commodity prices, foreign-exchange rates, "flights to quality" and "credit squeezes." Price movements are influenced by many unpredictable factors, such as market sentiment, momentum, inflation rates, interest-rate movements and general economic and political conditions both inside and outside the markets where the Fund will invest. The Fund's style of alternative investing may be no less speculative than traditional investing strategies. On the contrary, alternative investment strategies have from time to time incurred sudden and dramatic losses.

The particular or general types of market conditions in which the Fund may incur losses or experience unexpected performance volatility cannot be predicted, and the Fund may materially underperform other investment funds with substantially similar investment objectives and approaches.

*Highly Volatile Markets.* The prices of certain instruments that are traded by the Fund have been subject to periods of excessive volatility in the past, and such periods can be expected to recur. While volatility can create profit opportunities for the Fund, it can also create the specific risk that historical or theoretical pricing relationships will be disrupted and may cause what should otherwise be comparatively low-risk positions to incur losses.

*Stagnant Markets.* Although volatility is one indication of market risk, certain of the investment strategies employed by Athir may rely for their profitability on market volatility contributing to the mispricing that such investment strategies are designed to identify. In the event of trendless, stagnant markets and/or deflation, these strategies may have materially diminished prospects for profitability.

*Market Disruptions; Governmental Intervention.* The global financial markets have gone through pervasive and fundamental disruptions in the past that have led to extensive governmental intervention. Such intervention was in certain cases implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to pursue certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action — these interventions have typically been unclear in scope and application and have often resulted in

confusion and uncertainty which in itself has been detrimental to some markets as well as previously successful investment strategies.

The Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which Athir may base a number of their investment decisions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that positions may become illiquid in disrupted markets, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Fund from its banks, dealers and other counterparties may be reduced in disrupted markets, and such a reduction may result in substantial losses to the Fund. Market disruptions may from time to time cause dramatic losses for the Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

*Uncertainty in European Markets.* There is often a high degree of government regulation in European economies, including in the securities markets. Action by such governments may directly affect foreign investment in securities in those countries and may also have a significant indirect effect on the market prices of securities and of the payment of dividends and interest. Changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits and other economic regulations are possible, any of which could have an adverse effect on private investments.

The UK and other European countries have undergone a substantial political and social transformation and there can be no assurance that the economic, educational and political reforms necessary to complete political and economic transformation will continue.

In addition, global markets and economic conditions have been negatively affected by the ability of certain EU member states to service their sovereign debt obligations. The continued uncertainty over the outcome of the EU governments' financial support programs and the possibility that other EU member states may experience similar financial troubles could further disrupt global markets. In particular, it has and could in the future disrupt equity markets and result in volatile bond yields on the sovereign debt of EU members. These factors could have an adverse effect on the Fund.

The uncertainty and market stress resulting from Brexit, coupled with the sovereign debt crisis, could also cause severe disruption to equity markets, significant increases in bond yields generally, potential failure or default of financial institutions, including those of systemic importance, a significant decrease in global liquidity, a freeze-up of global credit markets and worldwide recession among other things. Many of these effects have already been felt in connection with Brexit, but they could be magnified in the event of further departures from, or a complete breakup of, the EU.

*Additional Government or Market Regulation.* Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during the past decade have led to increased governmental, as well as self-regulatory, scrutiny of the "hedge fund" industry and the financial services industry in general. Legislation proposing greater regulation of the industry is considered periodically by U.S. federal and state legislatures, as well as the governing bodies of non-U.S. jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to the Fund, the General Partner, Athir, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such laws or regulations could have a material adverse impact on the profit potential of the Fund and require increased transparency as to the identity of the Limited Partners.

*Political Uncertainty.* Some of the results of recent elections and referenda around the world have been unexpected and resulted in material market changes and increases in market uncertainty. Given recent changes in administrations and applicable law following these votes, the future of current regulations and the adoption of new regulations is also uncertain. These uncertainties may have adverse effects on, or alternatively create investment opportunities for, the Fund.

*Institutional and Counterparty Risk.* Institutions such as brokerage firms, banks and broker-dealers generally have custody of the funds, securities or instruments constituting the Fund's assets and may hold such assets in "street name." Bankruptcy, financial strain or fraud at one of these institutions could impair the operational capabilities or the capital position of the Fund.

Markets in which Athir may effect derivative transactions (*e.g.*, total return swaps) may include financing, OTC or "interdealer" markets and unregulated private markets. Some participants in such markets are not subject to the same level of credit evaluation and regulatory oversight as are members of the exchange-based markets. The Fund is exposed to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the transaction (whether or not such dispute is legitimate) or because of a credit or liquidity problem, which would cause the Fund to suffer a loss. Such counterparty risk is accentuated where the Fund has concentrated its transactions with a single or small group of counterparties.

There also is the risk that major institutional investors in the Fund may be compelled to withdraw or that the Fund's (or the Master Fund's) counterparties or Prime Brokers will be required to restrict the amount of credit previously granted to the Fund due to their own financial difficulties, resulting in forced liquidation of substantial portions of the Fund's portfolio.

Various historical events surrounding bankruptcies or similar proceedings with respect to various parties have demonstrated the risk that assets which an investor believed were custodial under statutory and regulatory protections may not be clearly identified as being assets of the investor, causing the investor to be exposed to a credit risk with regard to such parties. The Fund will be exposed to similar risks.

Athir is not restricted from dealing with any particular counterparty or from concentrating any or all of the Fund's transactions with one counterparty. The ability of Athir to transact business with numerous counterparties, uncertainty regarding such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund. Further, such financial contracts and other bilateral contracts could lose value or be terminated, or the Fund could be treated as an unsecured creditor in claims of bankruptcy. The Fund may not be able to ascertain its position in these contracts, making it difficult to either replace such contracts (in a strategy) or hedge them.

*Epidemics and Pandemics.* Since 2003, the world has seen a number of outbreaks of new viral illnesses of varying severity. The responses to these outbreaks have varied as has their impact on human health, local economies and the global economy, and it is impossible at the outset of any such outbreak to estimate accurately what the ultimate impact of any such outbreak will be. Historically, widespread outbreaks of communicable diseases have affected investment sentiment and caused sporadic volatility in global markets. Such effects will be unevenly distributed across sectors, businesses, and national economies, depending upon, amongst other things, the global distribution of detected cases, the severity and duration of

its impact, and the response of governments and markets. Certain sectors, including airlines, manufacturing, retail and tourism could be severely impacted and the timing and duration of any recovery for industries impacted is uncertain. The full scope of any outbreak, its duration, intensity and consequences are uncertain and any resultant economic slowdown and/or negative business sentiment across markets may have a negative and long-lasting impact on the business operations and financial condition of the Fund and its investments.

Countries and regions in which the Fund invests or Athir does business are susceptible to epidemics, pandemics and other outbreaks of serious contagious diseases. The occurrence of any such outbreak could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the epidemic or pandemic). Protective measures taken by governments and the private sector, including Athir, to mitigate the spread of such illness, including travel restrictions and outright bans, quarantines and work-from-home arrangements, and the spread of any such illness within the offices of Athir and/or its or the Fund's service providers or counterparties, could severely impair their respective operational capabilities, and could adversely affect the Fund's investment program and performance and/or Athir's business.

*General Investment and Trading Risks.* All securities investments present a risk of loss of capital. Volatile financial markets increase that risk. If Athir's evaluation of an investment opportunity should prove incorrect, the Fund could experience losses as a result of a decline in the market value of securities in which the Fund holds a long position or an increase in the value of securities in which the Fund holds a short position. The Fund's investment program may use such investment techniques as short sales, which can involve substantial volatility and can substantially increase the adverse effect to which the Fund may be subject in certain circumstances. The risk management techniques that may be used by Athir do not provide any assurance that the Fund will not be exposed to a risk of significant investment losses. No guarantee or representation is made that the Fund's investment program will be successful, that the Fund will achieve its targeted returns or that there will be any return of capital invested to investors in the Fund. In addition, investment results may vary substantially over time.

*Investment Judgment.* The profitability of a significant portion of the Fund's investment program depends to a great extent upon correctly assessing the future profitability of the price movements of securities and other investments. There can be no assurance that Athir will be able to accurately predict the long term results of any security or other investment.

*General Economic Conditions.* The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts and security operations). These factors may affect the level and volatility of the prices and liquidity of the Fund's investments and could impair the Fund's profitability or result in losses. The Fund could incur material losses even if Athir reacts quickly to difficult market conditions, and there can be no assurance that the Fund will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Investors should realize that markets for the financial instruments in which the Fund invests can correlate strongly with each other at times or in ways that are difficult for Athir to predict. Even a well-analyzed approach may not protect the Fund from significant losses under certain market conditions.

*Historical Relationships.* Certain of the investment strategies employed by the Fund may be based on historical relationships among securities prices, exchange rates, interest rates and bond prices. There can be no assurance that these historical relationships will continue and no representation is made by Athir as to what results the Fund will or is likely to achieve based on these trends and relationships.

*Available Information.* The Fund will select investments, in part, on the basis of information and data filed by the issuers of securities with various government regulators, made directly available to Athir by such issuers or through sources other than the issuers. Although Athir evaluates all such information and data and seeks independent corroboration when Athir considers it appropriate and when it is reasonably available, Athir is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

*Concentration of Investments; Limited Diversification and Sector Investing.* Fund may hold a limited amount of positions at any given time. As a result of the Fund's possible lack of diversification, a significant loss in any one position may have a material adverse effect on the net asset value of the Fund. Therefore, any fluctuation in the overall value of securities in specific industries or sectors likely will have a material effect on the performance of the Fund. Athir's specialized investment strategy and potential lack of diversification may be more vulnerable to changes in the economy or those industries or other factors than a broad based portfolio, and as a result, performance results may be highly volatile and may result in the Fund significantly outperforming, or under-performing, the market as a whole.

*Exchange-Traded Products.* The Fund may invest in ETPs including ETFs. ETFs are shares of publicly-traded unit investment trusts, open-end funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, factor or international. The Fund may also invest in other forms of ETPs including but not limited to exchange-traded commodities and futures. However, shareholders of ETPs are generally subject to the same risk as holders of the underlying assets that they are designed to track. ETPs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying assets they are designed to track, and the risk of trading in an ETP halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETP trades. In addition, the Fund may bear, along with other shareholders of an ETP, its pro rata portion of the ETP's expenses, including management fees. Accordingly, in addition to bearing the Fund's expenses (e.g., Management Fees and operating expenses), Investors may also indirectly bear similar expenses of an ETP, which may have a material adverse effect on the performance of the Fund.

*Equity Securities.* The Fund may invest in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments.

*Short Sales.* The Fund may engage in short selling. Short selling involves selling securities that may or may not be owned by the seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. However, short selling can substantially increase the effect of adverse price movements on the Fund's portfolio in certain circumstances. A short sale of a debt instrument, such as a bond, involves the theoretical risk of an increase in the market price plus accrued interest. A short sale of equity

securities involves the theoretical risk of an unlimited increase in the market price of the securities sold short. Moreover, short selling is limited to securities that can be borrowed, and it may be necessary to cover short positions at an undesirable time and at undesirable prices if the lender recalls the securities or the securities can no longer be borrowed.

If it is determined by the broader market that the Fund is short a heavily shorted security, the Fund may be susceptible to the risk that groups of investors may coordinate, on social media or otherwise, to drive up the price of the short position for the purpose of seeking to cause the holders of such positions, including the Fund, to close out of such positions. If the Fund were required to buy the shorted security in the market to make delivery under conditions which cause a period of sudden and unexpected significant increase in the value of the investment, the Fund could incur substantial losses.

*Hedging.* The Fund may engage in certain hedging transactions, including derivatives, options and swaps. Hedges can be more difficult to implement than many other types of transactions, and the possibilities for errors may be greater than for other transactions. Additionally, there is no guarantee that these hedging transactions will prevent losses to the Fund. The success of the Fund's hedging strategy will be subject to Athir's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the Fund's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. In addition, hedging transactions may result in poorer overall performance for the Fund than if no such hedging transactions were executed. Moreover, Athir may determine not to hedge against, or may not anticipate, certain risks. Finally, the Fund may be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular investments and counterparties).

*Options.* The Fund may engage in the trading of options. Such trading involves risks substantially similar to those involved in trading margined securities in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

*Derivatives.* The Fund may invest in derivative financial instruments. In addition, the Fund may utilize both exchange-traded and over-the-counter futures, options and contracts for differences, for hedging purposes, as well as other derivatives. Regulatory restraints may restrict the instruments that the Fund may trade. Such derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a gain or a loss which is high in proportion to the amount of funds actually placed as initial margin, and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes, there may be an imperfect correlation between these instruments and the investments or market sectors being hedged.

*Leverage.* The Fund may employ leverage in connection with its investment strategies or for any other purpose deemed necessary, desirable or appropriate at such times, in such amounts and subject to such terms and conditions as the General Partner may determine in its sole and

absolute discretion. Such leverage may take a variety of forms, including loans, repurchase agreements, derivative instruments that are inherently leveraged, margin borrowing from securities brokers and dealers and other financing arrangements. The use of leverage increases both the possibility for gain and the risk of loss. Leverage may be secured by the Fund's securities and other assets. Under certain circumstances, a lender may demand an increase in the collateral that secures such obligations, and if the Fund is unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy such obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the Fund's borrowing and the interest rates on that borrowing, both of which will fluctuate, may have an effect on the Fund's profitability. In addition, the use of leverage may cause a U.S. tax-exempt investor to realize UBTI (as defined below).

*Securities Lending and Borrowing.* The Fund may lend securities to securities brokers and other institutions as a means of earning additional income, or may borrow securities from securities brokers or other institutions to cover short positions. If the other party to such transaction becomes insolvent or bankrupt, the Fund could experience delays and extra costs in recovering payment or the securities. To the extent that, in the meantime, the value of securities changes, the Fund could experience further losses. Security loans must be fully collateralized, and Athir must be satisfied with the creditworthiness of the other party to the transaction.

*Price and Liquidity Fluctuations of Investments.* The market value of the Fund's investments may fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in the securities markets and the financial condition of the issuers of the securities in which the Fund invests. During periods of limited liquidity and higher price volatility, the Fund's ability to acquire or dispose of its investments at a price and time that Athir deems advantageous may be impaired. As a result, in periods of rising market prices, the Fund may be unable to participate in price increases fully to the extent that it is unable to acquire the desired positions quickly; the Fund's inability to dispose fully and promptly of positions in declining markets will conversely cause its net asset value to decline as the value of unsold positions is marked to lower prices.

*Risk of Operations/Liquidity Risks.* Although most of the securities that the Fund acquires will be traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it difficult or impossible for the Fund to liquidate its positions and would thereby expose it to losses. In addition, some of the securities in which the Fund may invest may be thinly traded, potentially making it difficult for the Fund to dispose of a position at the time or price desired. Moreover, in periods of extreme market volatility, the bid/ask spreads for some securities that ordinarily are liquid may widen, making it difficult or undesirable to sell the securities. Furthermore, if Investors elected to withdraw a substantial amount from their capital accounts, the Fund might be forced to close out existing positions at a time when it was disadvantageous to do so. There can be no assurance that the trading markets will remain liquid enough for management to close out existing positions at any time there is a need to do so.

*Risks of Foreign Investments.* The Fund may invest in securities of foreign companies, governments and government agencies. Investing in such securities, which are generally denominated in foreign currencies, and the use of forward foreign currency exchange contracts involve unusual risks not typically associated with investing in securities issued by U.S. companies or by the U.S. government or its agencies or instrumentalities. Investing in emerging markets poses greater risks and a greater potential for returns than investing in

developed countries. Securities of companies in these emerging markets are generally more volatile and may be much more volatile than securities issued by companies located in developed countries. The Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. dollar. Moreover, individual foreign economies may compare unfavorably with the U.S. economy in growth of gross national product, rate of inflation, rate of savings and capital reinvestment, resource self-sufficiency, balance-of-payment positions and in other respects. Some of the countries in which the Fund may invest have laws and regulations that currently preclude or severely restrict direct foreign investment in securities of their companies. Securities of some foreign companies are less liquid and their prices are more volatile than securities of comparable U.S. companies. Investing in foreign securities creates a greater risk of securities clearance and settlement problems. Further, some of the securities in which the Fund may invest may be thinly traded and relatively illiquid or may cease to be traded after the Fund invests in them. In addition to being illiquid, such securities may be issued by unseasoned companies and may be highly speculative. In addition, the Fund occasionally may acquire relatively large positions in a few securities. In such cases, and in the event of extreme market activity, the Fund may not be able to liquidate investments promptly, if the need should arise, which could materially and adversely affect the results of such investments.

*Credit Default Swap Agreements.* The “buyer” in a credit default swap contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay or obligation acceleration. If a credit event occurs, the seller typically must pay the contingent payment to the buyer, which is typically the “par value” (full notional value) of the reference obligation. The contingent payment may be a cash settlement or physical delivery of the reference obligation in return for payment of the face amount of the obligation.

Credit default swaps involve greater risks than if the Fund had invested in the underlying reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. The Fund may be either the buyer or seller in the transaction. If the Fund is a buyer and no credit event occurs, the Fund may lose its investment (or premium) and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. As a seller, the Fund receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligations.

Increases in volume of credit derivatives trading in the market could cause settlement of such contracts to be delayed beyond the time frame originally anticipated by counterparties. Such delays may adversely impact the Fund’s ability to otherwise productively deploy any capital that is committed with respect to such contracts.

*Event Risk.* The Fund may engage in transactions which seek to benefit from price or spread movements driven by anticipated catalysts or events. While Athir will seek to identify near- and intermediate-term catalysts which may allow for capital appreciation in such situations, such opportunities may be limited or may either fail to materialize altogether or such events may occur in an unexpected manner which is not advantageous to the Fund’s position. Such events may include earnings announcements, index changes and other activities that result in flows in investment markets.



*Borrowing; Interest Rates; Margin.* The General Partner and/or Athir may borrow funds from brokerage firms and banks on behalf of the Fund in order to be able to increase the amount of capital available for marketable securities investments. The rates at which the Fund can borrow, in particular, will affect the operating results of the Fund. Even if the Fund makes a profit on a trade, the interest expense incurred in carrying the position may exceed the profit generated by the trade. Any use of short-term borrowings or repurchase agreements will result in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund's margin accounts or repurchase obligation decline in value, the Fund could be subject to a "margin call," pursuant to which the Fund must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

*Institutional Risks; Counterparty Risk.* Institutions will have custody of the assets of the Fund. Certain assets of the Fund will be exposed to the credit risk of the dealers, brokers and exchanges through which Athir deals, whether Athir engages in exchange-traded or off-exchange transactions. These firms and/or financial institutions, regardless of how large or well-capitalized, may encounter financial difficulties that impair the operating capabilities or the capital position of the Fund. If any broker-dealer or other financial institution holding the Fund's assets were to become bankrupt or insolvent, it is possible that the Fund would be able to recover only a portion or none of its assets held by such bankrupt or insolvent entity in certain circumstances.

*Discretion and Changes in Investment Strategy.* Athir has considerable discretion in choosing the securities that may be acquired, and it has the right to modify the investment strategy, selection criteria or hedging techniques used by the Fund without the consent of the Limited Partners.

*Risk of Litigation.* In the ordinary course of business, the Fund and Athir may be subject to litigation from time to time. The outcomes of such proceedings, which may materially adversely affect the value of the Fund, are impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of Athir's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. In addition, if Athir becomes subject to the litigation, the Fund may be subject to additional costs and expenses relating to such litigation.

*Quantitative Trading Generally.* Athir implements the Fund's investment objective through quantitative trading strategies. Quantitative trading strategies are highly complex, and, for their successful application, require relatively sophisticated mathematical calculations and complex computer programs. Many components of Athir's critical computer hardware and software may have flaws, may be leased rather than owned, or may be provided in whole or in part by another party. If these components fail or are inaccessible, the Fund may suffer material or total losses as a result.

There are periods when even an otherwise highly successful quantitative trading system incurs major losses due to external factors dominating the market, such as political events, natural catastrophes or acts of war or terrorism. Athir's models and trading strategies are particularly sensitive to external market factors. If Athir detects that unexpected factors are affecting the markets or that another market participant is "gaming" the market or attempting to create

unusual or unnatural market patterns, Athir may stop trading of the related models, potentially causing the Fund to miss profit opportunities or lose money.

*Model Risk.* Athir relies heavily on quantitative models and information and data both developed by Athir and those supplied by third parties. Models and data are used to construct sets of transactions and investments, to value investments or potential investments, to provide risk management insights and to assist in hedging the Fund's investments. Models and data are known to have errors, omissions, imperfections and malfunctions (collectively, "**System Events**").

Athir seeks to reduce the incidence and impact of System Events through a certain degree of internal testing and real-time monitoring, and the use of independent safeguards in the overall portfolio management system and often, in the software code itself. Despite such testing, monitoring and independent safeguards, System Events may result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays to the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organize available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have materially negative effects on the Fund and/or its returns.

The investment strategies of the Fund are highly reliant on the gathering, cleaning, culling and analysis of large amounts of data. Accordingly, models rely heavily on appropriate data inputs. However, it is not possible or practicable to factor all relevant, available data into forecasts and/or trading decisions of the models. Athir will use its discretion to determine what data to gather with respect to each investment strategy and what subset of that data the models take into account to produce forecasts that may have an impact on ultimate trading decisions. In addition, due to the automated nature of data gathering, the volume and depth of data available, the complexity and often manual nature of data cleaning, and the fact that the substantial majority of data comes from third-party sources, it is inevitable that not all desired and/or relevant data will be available to, or processed by, Athir at all times. If incorrect data is fed into even a well-designed model, it may lead to a System Event subjecting the Fund to loss. Further, even if data is input correctly, "model prices" anticipated by the data through the models may differ substantially from market prices, especially for securities with complex characteristics, such as derivatives.

Where incorrect or incomplete data is available, Athir may, and often will, continue to generate forecasts and make trading decisions based on the data available to it. Additionally, Athir may determine that certain available data, while potentially useful in generating forecasts and/or making trade decisions, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, Athir will not utilize such data. Investors should be aware that there is no guarantee that any specific data or type of data will be utilized in generating forecasts or making trading decisions with respect to the models, nor is there any guarantee that the data actually utilized in generating forecasts or making trading decisions underlying the models will be the most accurate data available or free of errors. Investors should assume that the data set used in connection with the models is limited and should understand that the foregoing risks associated with gathering, cleaning, culling and analyzing large amounts of data are an inherent part of investing in quantitative strategies.

When models and data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon will expose the Fund to risks. For example, by relying on models and data, Athir may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether.

Similarly, any hedging based on faulty models and data may prove to be unsuccessful and, when determining the net asset value of the Fund, any valuations of the Fund's investments that are based on valuation models may prove to be incorrect. In addition, models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low-probability scenarios, often involving a market disruption of some kind, models may produce unexpected results which may or may not be System Events.

Errors in models and data are often extremely difficult to detect, and the difficulty of detecting system events may be exacerbated by the lack of design documents or specifications. Regardless of how simple their detection appears in retrospect, some system events will go undetected for long periods of time and some will never be detected. The degradation or impact caused by these system events can compound over time. Finally, the Fund may detect certain system events that it chooses, in its sole discretion, not to address or fix, and the third-party software will lead to system events known to Athir that it chooses, in its sole discretion, not to address or fix. Athir believes that the testing and monitoring performed on its models will enable Athir to identify and address certain system events by correcting the underlying issue(s) giving rise to the system events or limiting the use of the models, generally or in a particular application. Investors should assume that system events and their risks and impact are an inherent part of investing in quantitative strategies. Accordingly, Athir does not expect to disclose discovered system events to the Fund or to Limited Partners.

The Fund will bear the risks associated with the reliance on models and data including that the Fund will bear all losses related to system events unless otherwise determined by Athir in accordance with its internal policies or as may be required by applicable law.

As market dynamics shift over time, due to factors such as changed market conditions and participants, a previously highly successful model could become outdated or inaccurate, perhaps without Athir's recognizing that fact before substantial losses are incurred. There can be no assurance that Athir will be successful in developing and maintaining effective quantitative models.

*Obsolescence Risk.* The Fund is unlikely to be successful in its quantitative trading strategies unless the assumptions underlying the models are realistic, and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If these assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and Athir does not successfully address such omission through its testing and evaluation and modify the models accordingly, this may result in major losses—all of which will be borne by the Fund. Athir will continue to test and evaluate models, which may lead to the models being modified from time to time. Additionally, Athir may add or remove models over time. Any modification of the models or strategies will not be subject to any requirement that Investors receive notice of the change or that they consent to it. There can be no assurance as to the effects, positive or negative, of any modification to the models or strategies on the Fund's performance.

*Crowding/Convergence.* There is significant competition among quantitatively-focused investment managers, and the ability of Athir to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds depends on its ability to employ models that are simultaneously profitable and differentiated from those employed by other investment managers. To the extent that Athir is unable to develop sufficiently differentiated models, the Fund's investment objective may not be met, irrespective of whether the models

are profitable in an absolute sense. In addition, to the extent that the models come to resemble those employed by other investment managers, there is an increased risk that a market disruption may negatively affect predictive models such as those employed by the Fund, as such a disruption could accelerate reductions in liquidity or rapid re-pricing due to simultaneous trading across a number of funds in the marketplace utilizing models, or similar quantitatively focused investment strategies.

Recent years have seen a substantial increase in interest in technical trading systems similar to Athir's systems. As the capital under the management of trading systems increases, that many more traders may attempt to initiate or liquidate substantial positions at or about the same time as Fund, or otherwise alter historical trading patterns or affect the execution of trades, to the significant detriment of Fund.

*Involuntary Disclosure Risk.* The ability of Athir to achieve its investment goals for the Fund is dependent in large part on its ability to develop and protect its models and proprietary research. The models, proprietary research and data are largely protected by Athir through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations, or disclosure obligations to exchanges or regulators with insufficient privacy safeguards, could lead to opportunities for competitors to reverse engineer Athir's models. Furthermore, Athir's models are subject to the risk of theft. Any reverse engineering or theft of Athir's models could impair the relative or absolute performance of the Fund.

*Discretionary Aspects of Athir's Quantitative Strategies.* Athir retains ultimate discretion whether to elect to trade based on its quantitative models. Any decision to elect to trade or not to trade based on Athir's quantitative models may potentially cause the Fund to miss profit opportunities or even lose money. Additionally, Athir's quantitative strategies and research methodologies retain certain discretionary aspects. In particular, Athir's personnel discretion is used throughout the research, creation and implementation of the models, for example in interpreting data, choosing signals and ranking their importance. In addition, decisions to adjust the sensitivity of a model to certain inputs, may require judgmental input from Athir's personnel.

Although Athir will use quantitative models in evaluating the economic components of certain prospective trades, Athir retains ultimate discretion. The market judgment and discretion of Athir's personnel are fundamental to the development, implementation and execution of these strategies and could cause these strategies to fail.

*Increased Regulatory Scrutiny of the Quantitative Trading Industry.* Quantitative trading strategies continue to be the focus of extensive regulatory scrutiny by federal, state and foreign regulators, self-regulatory organizations and the media. As compared to certain other pooled investment vehicles, such as mutual funds, the quantitative trading industry operates in a relatively unregulated environment. The investment strategy employed on behalf of the Fund may be particularly sensitive to any change in regulation that affects technological systems or other factors typically associated with the quantitative trading industry. As a result, any change in regulation could negatively affect Athir's trading strategy, make it impractical to implement the Fund's strategy and/or result in material, or even total, losses to the Fund.

The Fund's trading activities are characterized by quantitative trading. It is possible that Athir could come under regulatory scrutiny, which may cause it to cease or materially alter

operations or require it to devote substantial resources in terms of money and time to address such scrutiny, even if no adverse regulatory action is taken. As a result, Fund may experience difficulties in raising capital for the Fund, increased regulatory attention to the activities of the Fund and increased costs and expenses related to the operation of the Fund, all of which could negatively affect the business, financial condition and results of operations of the Fund and Athir.

*Cybersecurity Risks Relating to Models.* Athir's hardware and software systems are subject to threats from hackers and others, such as a malicious attack, malware or other event that leads to unanticipated interruption or malfunction of such systems. Any interruption of Athir's hardware or software functionality could lead to material or even complete losses to the Fund. Hackers could also attempt to access and steal Athir's research, models, trading programs or other software or data and implement such programs or software on their own behalf. This could lead to increased competition for, or elimination of, the investment opportunities sought by the Fund or otherwise render the models obsolete, possibly resulting in material or complete losses to the Fund.

*Subscription Monies.* Where a subscription for an Interest is accepted, the Interests will be treated as having been issued with effect from the relevant subscription date, notwithstanding that the subscriber for those Interests may not be entered in the Fund's register of limited partners, nor the subscription reflected in the Fund's record of contributions, until after the relevant subscription date. The subscription monies contributed by a subscriber for an interest will accordingly be subject to investment risk in the Fund from the relevant subscription date. Details of the value, as of the subscription date, of an accepted subscription may be obtained by the relevant Investor from Athir.

*Effect of Withdrawals.* Where a withdrawal request is accepted, the interest will be treated as having been withdrawn with effect from the relevant withdrawal date irrespective of whether or not such withdrawing Investor has been removed from the Fund's register of limited partners, the withdrawal has been reflected in the Fund's record of contributions or the withdrawal proceeds have been remitted. Details of the value, as of the withdrawal date, of a withdrawn interest may be obtained by the relevant withdrawing Investor from Athir.

*Restrictions on Withdrawals.* Subject to the withdrawal limit, the lock-up period and other restrictions on withdrawals set forth in the applicable Offering Document, an Investor may make a withdrawal of up to 1/8th of its capital account(s) in each series as of each applicable withdrawal date (*i.e.*, the last business day of each calendar quarter) only if written notice has been given to the administrator no less than ninety (90) days prior to the applicable withdrawal date. Because a withdrawal request must be submitted significantly in advance of the actual withdrawal date, the value received upon a withdrawal may differ materially from the value at the time that a withdrawal request is submitted. Withdrawals are also subject to the withdrawal limit. Additionally, the General Partner may suspend the determination of net asset value and limit or suspend withdrawals under certain circumstances, as well as "holdback" up to 5% of the estimated withdrawal proceeds otherwise due until completion of the Fund's audit for the then-current fiscal year.

*In-Kind Distributions.* Withdrawal proceeds and distributions generally will be paid in cash other than in unusual circumstances (as determined by the General Partner) or with the consent (or at the request) of the recipient Investor, in which case withdrawal proceeds and distributions may, in the General Partner's discretion, be paid in kind (whether fully or partially). An in-kind distribution may consist of securities that are not readily marketable and may be subject to restrictions on resale. An in-kind distribution may consist of an interest in

a liquidation vehicle, with no or very restricted liquidity terms, formed to hold interests on behalf of withdrawing Investors or participating agreements structured to meet similar goals. Any such liquidation (or similar) vehicle may be subject to fees payable to Athir. Investors receiving an in-kind distribution will incur costs, including commissions and potentially management and other fees, in disposing of securities that they receive, and in the case of securities that are not readily marketable, Investors may not be able to sell the securities except at prices that are lower than those at which the securities were valued by the Fund or without substantial delay.

*Compulsory Withdrawals.* The General Partner may compulsorily withdraw all or any portion of an Investor's capital account(s), for any or no reason and without prior written notice. Compulsory withdrawals will neither be subject to any of the limitations imposed upon voluntary withdrawals nor be credited against what would otherwise be a Investor's withdrawal limit.

*Lack of Transferability of Interests.* The interests offered hereby have not been registered under U.S. federal or state securities laws and are subject to restrictions on transfer contained in such laws. The interests are not transferable except with the prior consent of the General Partner. There will not be any market for the interests.

*Possible Effect of Substantial Withdrawals.* Substantial withdrawals of capital over a short period of time could require the Fund to liquidate its positions more rapidly than would otherwise be desirable to raise the necessary cash to fund withdrawals and achieve a market position appropriately reflecting a smaller asset base. Illiquidity in certain markets could make it difficult for Athir to liquidate positions on favorable terms, which could result in losses or a decrease in the net asset value of the Fund. Although the Fund has implemented the withdrawal limit to mitigate this risk, this provides only limited protection against substantial withdrawals.

*Investor Concentration Risk.* The Fund may have a limited number of Investors and several of these Investors may have contributed a substantial percentage of the Fund's capital. Should one or more of these Investors withdraw capital from the Fund — which they may do for reasons entirely unrelated to the performance of the Fund— the effect on the Fund could be materially adverse.

*Substantial Fund Fees and Expenses.* The Fund is subject to substantial fees and expenses, including the management fee, as well as the incentive allocation.

*Valuation Risk; Use of Estimates.* The fair market value of certain assets may be based on sources deemed reliable by Athir in its good faith judgment. Investors should note that Net Asset Value calculations of the Fund may be adjusted following the year-end audit. Athir will not bear any liability if the price of an instrument, reasonably believed by it to be an accurate valuation of a particular direct or indirect investment of the Fund, is materially higher or lower than the price at which such instrument is subsequently sold or, in the case of an instrument sold short, purchased. Amounts due to Investors and Athir in connection with any in-kind distributions may be determined on the basis of estimates.

*Master-Feeder Fund Structure.* The Fund invests substantially all of its assets to the Master Fund. The master-feeder fund structure, particularly the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. For example, a master-feeder structure entails two layers of operating costs.

*Transaction Costs.* The Fund will bear substantial brokerage commissions, spread fees and other transaction costs, which could have an adverse effect on the Fund's performance. Transaction costs are increased by the use of leverage. The Fund may limit itself to the use of custodians, futures clearers, brokers, clearinghouses, exchanges or other counterparties that meet certain criteria determined from time to time by Athir. These limitations may result in the Fund paying more for such services than would be the case if it chose such agents solely on the basis of price.

*Contingent Liabilities.* The Fund has the power to establish reserves for unknown or contingent liabilities as the General Partner may deem advisable. This could occur, for example, if there is any pending transaction or claim by or against the Fund involving, or that may affect the book value of, the Interest of a withdrawing Investor or the obligations of a withdrawing Investor which cannot be then ascertained.

*Cross-Series Liability.* The Fund has the power to issue interests in series. The Offering Document provides for the manner in which the liabilities are to be attributed across the various Series (*i.e.*, liabilities are to be attributed to the specific Series in respect of which the liability was incurred). However, the Fund is a single legal entity and there is no limited recourse protection for any series. Accordingly, all of the assets of the Fund will be available to meet all of its liabilities, regardless of the series to which such assets or liabilities are attributable. In practice, cross-Series liability is only expected to arise where liabilities referable to one series are in excess of the assets referable to such series and such series is unable to meet all liabilities attributed to it. In such a case, the assets of the Fund attributable to other series may be applied to cover such liability excess and the net asset value of the contributing series will be reduced as a result.

*Custody.* The Fund does not maintain custody of a majority of its securities or place its securities in the custody of a bank or a member of a national securities exchange in the manner required of registered investment companies under rules promulgated by the SEC. A registered investment company which places its securities in the custody of a member of a national securities exchange is required, among other things, to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company. The Fund generally maintains such accounts at brokerage firms which do not separately segregate such assets. Under the provisions of the Securities Investor Protection Act of 1970, the bankruptcy of any such brokerage firm might have a greater adverse effect on the Fund than would be the case if the accounts were maintained to meet the requirements applicable to registered investment companies. Moreover, records with respect to certain financial instruments held by the Fund, such as in the case of certain private securities, may be maintained by Athir.

*Possible Indemnification Obligations.* The Fund has agreed or may agree to indemnify the administrator, the General Partner, Athir, the prime brokers, other parties and each of their respective agents, principals, officers, employees and affiliates under certain circumstances.

*Lack of Independent Experts Representing Investors.* While the General Partner and Athir have consulted with counsel, accountants and other experts regarding the structure and terms of the Fund, such counsel, accountants and other experts do not represent the Investors in their capacity as such. The Fund and Athir urge each prospective investor to consult its own legal, tax and financial advisors regarding the desirability of purchasing an Interest and the suitability of an investment in the Fund.

*Limited Partners Will Not Participate in Management.* An Investor has no right to participate in the management of the Fund or in the conduct of its business. There exists broad discretion to expand, revise or contract the Fund's business without the consent of the Investor. In addition, Investors are completely dependent upon the skill, judgment and expertise of the Fund and its employees to manage the Fund's portfolio.

*Incentive Allocation.* The General Partner could receive substantial incentive allocations in the event that the Fund generates new appreciation for its Investor. Prospective investors should note that (i) the fact that the incentive allocation is allocated only in respect of new appreciation may create an incentive for Athir, an affiliate of the General Partner, to make investments that are riskier or more speculative than would be the case if Athir (or its affiliates) were compensated solely based on a flat percentage of capital and (ii) the General Partner may receive increased allocations because the incentive allocation is calculated on a basis that includes unrealized appreciation as well as realized gains. If the General Partner receives an incentive allocation in any year and a capital account subsequently suffers a net loss, the General Partner will be entitled to retain any and all incentive allocations previously allocated to it in respect of such capital account notwithstanding such net loss.

*Lack of Regulatory Oversight.* The Fund is not presently registered, and does not propose in the future to register, as an investment company under the Company Act, and accordingly, the provisions of the Company Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) are not applicable. Athir is or, prior to the commencement of the Fund's operations, will be registered with the SEC as an investment adviser under the Advisers Act. Such registration does not indicate that Athir has achieved any level of expertise or qualification or that the SEC has in any respect recommended or approved Athir or the offering of the Interests.

*ERISA Matters.* Most pension and profit sharing plans, individual retirement accounts and other tax-advantaged retirement funds are subject to provisions of the Code, ERISA or both, which may be relevant to a decision as to whether such an investor should invest in the Fund. There may, for example, be issues as to whether such an investment is "prudent." Legal counsel should be consulted by such an investor before investing in the Fund.

*Additional Fund Information.* Investors may avail themselves of certain additional information regarding the Fund (e.g., as to certain performance measures, risk measures or portfolio information, including but not limited to position-level detail on a reporting delay deemed appropriate by Athir and, if deemed necessary by Athir, upon the execution of a confidentiality and non-use agreement in a form acceptable to Athir), and thus certain Investors may at times possess more information about the Fund than is provided to Investors generally. The Fund may also provide position-level detail to one or more third-party aggregators who may contract separately with investors for reporting services upon execution of a confidentiality agreement with the third-party aggregator.

*Managed Accounts.* Athir may manage "separately managed accounts" or "single investor funds" (each, an "SMA") for certain significant investors. SMAs may trade *pari passu* in the same strategies and instruments as the Fund but have materially more advantageous investor liquidity, position transparency and/or access to Athir personnel, as well as other terms. The beneficial owner of an SMA may generally terminate its agreement with Athir at any time, for



any reason or for no reason, and such termination would likely require the liquidation of the positions in the SMA. Such liquidations could have adverse effects on the Fund.

*Side Letters.* Subject to applicable law Athir may enter into, or cause the Fund to enter into, side letters with one or more Investors, which provide such Investors with additional and/or different rights than Investors have pursuant to the Offering Documents. Such terms may include the waiver, reduction, rebate or different calculation of the incentive allocation or the management fee, greater transparency and the provision of additional information or reports, more favorable transfer rights and more favorable liquidity rights, including additional permitted dates for withdrawals, notice periods or proceed payment periods or undertakings designed to address legal, regulatory or other internal policy considerations relevant to such investor. Athir has the same authority in respect of investors in the Offshore Fund.

As a result of these side letters, certain Investors may benefit from arrangements that do not apply to other Investors. However, prior to entering into any side letter, Athir attempts to balance numerous factors in determining the appropriateness of the proposed arrangements, including any or all of the following: the interests of other Investors that are not parties to the request; the benefit to the Fund of establishing or maintaining a relationship with the requesting Investor; any additional obligations or undertakings the requesting Investor may assume in connection with the request; the nature and materiality of the request; and the administrative or other burdens that the request places on the Fund or the Investor. No waiver or modification for any Investor shall entitle any other Investor to any such waiver or modification, except as otherwise agreed with any such Investor or as otherwise required by applicable law. Neither Athir nor the Fund is required under the Offering Documents to notify such other non-party Investor of any side letters or any of the terms thereof, nor will Athir or the Fund be required under the Offering Documents to offer any of the terms set forth in any side letter(s) to other Investors that are not parties thereto, except as otherwise agreed with any such Investors or as otherwise required by applicable law.

*Differential Disclosures.* Athir and the Fund may provide certain Investors with additional reports, including estimates of the Fund's performance and information about the Fund's investment positions and activities. As a result, such Investors may benefit from additional reporting not provided to other Investors. Neither Athir nor the Fund is required under the Offering Documents to notify or provide such other Investors of any such reports. Athir has similar authority with respect to investors in the Offshore Fund, except as otherwise agreed with any such Investors or otherwise required by applicable law.

*Investments in "New Issues."* The Fund may invest in "new issues" (i.e., equity securities that are issued in an initial public offering). Investors that are categorized by the Fund as non-"restricted persons," as well as certain "restricted persons" and "covered persons" under FINRA (as defined below) Rules 5130 and 5131 may participate in such new issues. To the extent that Investors that are "restricted persons" or "covered persons" do not participate, or participate fully, in the profits and losses from "new issues," such Investors may experience materially different performance than Investors who are not so restricted. The Fund does not intend to make any "de minimis" allocations as permitted by FINRA Rule 5130 or FINRA Rule 5131. In addition, Athir will not, unless it determines otherwise, allocate any "new issues" income gains or losses to any Investors that is an executive officer or director of a public company or a covered non-public company, or a person materially supported by such

person, as those terms are defined in FINRA Rule 5131. The Fund may change its policy in the future.

*Tax Considerations.* The Fund's income and gain for each taxable year will be allocated to, and accounted for, in a Investor's taxable income whether or not cash or other property is actually distributed. Furthermore, the Fund does not anticipate that it will make current distributions. Accordingly, each Investor should have alternative sources from which to pay its U.S. federal income tax liability or be prepared to withdraw such amounts from the Fund, subject to the restrictions on withdrawals described in the Offering Documents.

The Fund may take positions with respect to certain tax issues that depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the Internal Revenue Service (the "IRS"), an Investor might be found to have a different tax liability for that year than that reported on its U.S. federal income tax return.

In addition, an audit of the Fund's U.S. federal income tax information return may result in adjustments to the tax consequences initially reported by the Fund and may affect items not related to an Investor's investment in the Fund. If audit-related adjustments result in an increase in an Investor's U.S. federal income tax liability for any year, that Investor may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax return will be borne by the Fund.

Absent an election by the Fund, the Fund will be required to determine and pay an imputed underpayment of tax (plus interest and penalties) resulting from an adjustment of the Fund's items of income, gain, loss, deduction or credit at the Fund level without the benefit of partner-level tax items that could otherwise reduce tax due on any adjustment and, where the adjustment reallocates any such item from one partner to another, without the benefit of any corresponding decrease in any item of income or gain (or increase in any item of deduction, loss or credit). The cost of any such imputed underpayment of tax (and any interest and penalties) may, in whole or in part, be borne by Investors in the year of adjustment, without any Fund or partner-level tax deduction or credit for the Fund's payments, rather than by those who were Limited Partners in the taxable year to which the adjustment relates.

The Fund may not be able to provide final Schedules K-1 to Limited Partners for any given calendar year until after April 15 of the following year, although it will attempt to provide them as soon as practicable. Investors should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state and local level.

Dividend, interest payments, other income and capital gains on foreign securities may be subject to foreign withholding taxes, which could reduce net proceeds to the Fund. Certain jurisdictions may impose tax filing obligations in relation to capital gains realized on the sale of securities of an issuer in such jurisdictions.

The taxation of partnerships and partners is complex. Potential investors are strongly urged to review the discussion below under "Federal Income Tax Consequences" and to consult their own tax advisors.

*Accounting for Uncertainty in Income Taxes.* Accounting Standards Codification Topic No. 740, "Income Taxes" (in part formerly known as "FIN 48") ("ASC 740"), provides guidance on the recognition of uncertain tax positions. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity's financial

statements. It also provides guidance on recognition, measurement, classification, interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the net asset value of the Master Fund or the net asset value of the Fund, including reducing the net asset value of the Master Fund or the net asset value of the Fund to reflect reserves for income or other taxes, such as foreign withholding taxes, that may be payable by the Master Fund or the Fund. This could cause benefits or detriments to certain investors, depending upon the timing of their entry and exit from the Fund.

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**Item 9: Disciplinary Information**

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We are required to disclose all material facts regarding any legal or disciplinary events that would be material to evaluation of Athir or the integrity of Athir management. To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

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

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Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

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***Code of Ethics***

Athir has adopted a "**Code of Ethics**" that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

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**Item 12: Brokerage Practices**

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The Funds maintain brokerage and custody arrangements with its prime brokers, banks and other established financial institutions. Certain of the Funds' assets held by brokers and custodians are segregated from the brokers' and custodians' own property, while other Funds' assets held as collateral or margin may not be recoverable in the event of the custodian's insolvency.

The prime brokers serve as the prime brokers for the Funds. Information concerning the prime brokers is available from the Financial Industry Regulatory Authority, Inc. ("FINRA") website: <http://brokercheck.finra.org>.

Athir may appoint additional and/or replacement Prime Brokers from time to time in the future. Athir reserves the right to change its brokerage and custodial arrangements (including using additional prime brokers and custodians or terminating the services of any of the prime brokers) without prior notice to, and without the consent of, Investors.

Athir is authorized to determine the broker, dealer or counterparty to be used for each transaction for the Fund, and Athir assumes no responsibility for the actions or omissions of any broker, dealer or counterparty selected in good faith. In selecting brokers, dealers and counterparties to execute transactions, Athir need not solicit competitive bids and does not have an obligation to seek the lowest available transaction cost. It is not Athir's practice to negotiate "execution only" commission rates, and thus when the Fund enters into transactions with or through a broker it may be deemed to be paying for research, brokerage or other services provided by a broker which are included in the commission rate.

Section 28(e) of the Exchange Act ("**Section 28(e)**") is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Except for services that would be considered an operating expense of the Fund or as otherwise described below, Athir does not intend to use "soft dollars" other than to obtain research and brokerage services within the meaning of Section 28(e).

Research services within Section 28(e) may include: 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 strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services.

Brokerage services within Section 28(e) may include services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager 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.

The use of brokerage commissions arising from the Funds' investment transactions for services other than research and brokerage may be applied to services that would otherwise

be considered an operating expense of the Fund. In some instances, Athir may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, Athir will make a good faith effort to determine the relative proportion of the product or service used to assist Athir in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The portion of the product or service attributable to assisting Athir in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the portion attributable to administrative or other purposes outside Section 28(e) will be paid for by Athir from its own resources.

Research and brokerage services obtained by the use of commissions arising from the Funds' portfolio transactions may be used by Athir in its other investment activities and thus, in any particular instance, the Fund may not necessarily be the direct or indirect beneficiary of the research or brokerage services provided.

Although Athir will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services create a potential conflict of interest between Athir and its clients.

In selecting brokers and negotiating commission rates, Athir will consider factors such as price, execution capabilities, reputation, infrastructure, reliability, financial resources and stability, quality of research and brokerage products or services, and other value-added services provided by such brokers. Athir may place transactions with a broker or dealer that (i) provides Athir (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Fund or other products advised by Athir (or an affiliate), if otherwise consistent with seeking best execution; provided that Athir is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

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

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Athir reviews the Funds' investments to confirm that such investments are consistent with the Funds' investment strategies and objectives.

We will distribute annual audited financial statements with respect to the previous fiscal year to all Investors within 90 days of the relevant Fund's fiscal year end. We may also distribute other interim reports to Limited Partners.

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

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We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

#### **Item 15: Custody**

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We will be deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account.

We will comply with Rule 206(4)-2 of the Advisers Act (i.e., the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

#### **Item 16: Investment Discretion**

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Athir has full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

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

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In accordance with SEC requirements, the Managers have adopted Proxy Voting Policies and Procedures (the "**Policy**") to address how any Manager will vote proxies, as applicable, for the Funds' portfolio investments. The Policy seeks to ensure that the applicable Manager votes proxies (or similar instruments) in the best interest of the Funds, including when there may be material conflicts of interest in voting proxies. In the event there is or may be a conflict of interest between the applicable Manager and the Funds in voting proxies, the Policy outlines several alternative approaches that the Manager may take to address the conflict. In addition, the Policy sets forth certain specific proxy voting guidelines the Managers follow when voting proxies on behalf of the Funds. A copy of the Policy or information regarding how the Managers voted proxies will be provided to clients or prospective clients at no charge upon request to [dan@athircapital.com](mailto:dan@athircapital.com).

#### **Item 18: Financial Information**

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We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients and have not been the subject of a bankruptcy petition at any time during the past ten years.