

**FIRM BROCHURE**  
**FOR**  
**THE LINONIA PARTNERSHIP LP**  
*a Delaware limited partnership*

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Part 2A of Form ADV: Firm Brochure

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**This brochure (this “Brochure”) provides information about the qualifications and business practices of The Linonia Partnership LP (“Linonia” or the “Firm”). If you have any questions about the contents of this brochure, please contact us by telephone at 203-710-5045 or by email at IR@Linonia.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about The Linonia Partnership LP is also available on the SEC’s website at <https://adviserinfo.sec.gov>.**

**Although this document may refer to The Linonia Partnership LP as “registered” or a “registered investment adviser,” registration does not imply a certain level of skill or training.**

## **ITEM 2: MATERIAL CHANGES**

The Adviser's principal place of business changed since the most recently filed Brochure dated June 21, 2023. There are no other material changes.

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## ITEM 4: ADVISORY BUSINESS

The Linonia Partnership LP (“**Linonia**”) is a Delaware limited partnership formed in 2023 with its principal place of business located at 414 West 14<sup>th</sup> Street, 6th Floor, New York, New York 10014. The principal owner of Linonia is Mr. Philip Uhde (the “**Principal**”); he has overall responsibility for the day-to-day supervision and management of Linonia’s business.

Linonia provides investment advice to (i) Linonia Partners Fund LP, a Delaware limited partnership (the “**Master Fund**”) and (ii) Linonia Partners Offshore Fund Ltd., a Cayman Islands exempted company (the “**Offshore Fund**”). The Master Fund accepts direct investments from certain qualified investors and also operates as a “master fund” for the Offshore Fund. The Offshore Fund invests substantially all of its assets in the Master Fund except for such capital as Linonia determines may be reasonably necessary or appropriate to pay any fees, expenses or other costs related to the Offshore Fund itself. The Master Fund and the Offshore Fund are sometimes referred to herein as the “**Funds**” or the “**applicable Fund**” (as the context so requires).

The Master Fund is managed by the general partner, Linonia Capital Partners GP LLC, a Delaware limited liability company (“**Linonia Capital**”). The Master Fund offers limited partnership interests in several series to investors who are (i) “accredited investors,” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and (ii) “qualified purchasers” or “knowledgeable employees” as defined in the U.S. Investment Company Act of 1940, as amended (the “**Company Act**”). Linonia provides its services to the Funds in accordance with investment management agreements between Linonia and the Funds. In the future, Linonia may provide advisory services to managed accounts or additional unaffiliated funds or may develop and sponsor one or more additional private investment funds.

Linonia directs the investment program of the Funds and seeks to generate attractive absolute total returns over the long-term, and through multiple economic cycles, while minimizing the risk of permanent impairment of capital. Linonia conducts its own fundamental research on a wide range of companies to determine their qualification for initial and continuing investment by the Funds. Linonia conducts fundamental research to identify companies whose long-term prospects it believes may be under-appreciated by public markets investors.

Linonia provides portfolio advisory and management services to the Funds based on their investment objectives and not based on the criteria or investment objective of any individual investor in the Funds.

Linonia does not participate in wrap fee programs.

As of June 16, 2023, Linonia manages a total of \$66,261,240 of client assets, all of which are managed on a discretionary basis. Linonia does not manage any assets on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

The offering documents for the Funds set forth the specific fees and other material terms regarding an investment in the Funds. The Funds offer interests or shares (depending upon the

Fund) in various classes or series (as applicable), each with different management fees and performance allocations.

Investors in the Funds generally pay a management fee to Linonia ranging from 0.5-1% per annum (the “**Management Fee**”) based on the aggregate net asset value of the Master Fund. The Management Fee is calculated and paid to Linonia monthly in advance based on the gross asset value of the investors’ respective interests or series of shares, as applicable. No portion of the Management Fee is refundable if an investor withdraws during a month. Investors are not charged any redemption fees. Also, Linonia Capital receives a 20% Performance Allocation from each investor in the Funds as more fully described in *Item 6: Performance Fees and Side-by-Side Management*. Linonia may waive, reduce, or modify the Management Fee and/or the Performance Allocation with respect to certain investors, without entitling any other investor to a similar waiver, reduction or modification.

The Master Fund will pay (or reimburse Linonia or its affiliates, as the case may be) for all organizational and initial offering costs of the Funds (including, but not limited to, legal, accounting, printing, and other expenses).

Each investor indirectly pays for its share of ongoing operating and offering costs of the applicable Fund including, without limitation: (i) all investment related expenses including, without limitation, the following: the costs and expenses relating to the research, execution and monitoring of actual and prospective investments (whether or not consummated); third-party investment sourcing fees; consulting fees; expert fees, fees and expenses of and related to obtaining research, analytics and market data (including, without limitation, third-party data sources and any information technology hardware, software and data subscriptions (such as Bloomberg and FactSet) or other technology incorporated into the cost of obtaining such research and market data); due diligence expenses (including, without limitation, research-related travel expenses); any outsourced trading provider fees; brokerage and prime brokerages fees, commissions, dealer spreads, clearing and trading fees, and all other costs of executing transactions (including the costs of negotiating, documenting and/or amending agreements with prime brokers, ISDAs and other agreements with trading and financing counterparties); the costs of installing, implementing and maintaining order management and execution management systems and software, including externally incurred costs of establishing computer and systems connections with the applicable Fund’s brokers and counterparties; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses, financing charges, commitment fees and other charges related to the purchase, sale, transmittal and custody of portfolio assets and related items (including expenses related to borrowing securities to be sold short); external costs incurred in valuation and portfolio pricing; fees and expenses of third-party proxy research and voting services; broken deal expenses; and the costs of risk management and data services and systems (including, without limitation, the costs of utilizing and/or supporting risk-reporting technology required by consultants retained by or on behalf of institutional investors); (ii) organizational fees and expenses and the costs associated with the ongoing offering of the applicable Fund including, without limitation, the following: fees and the costs and expenses that Linonia determines are associated with the ongoing offering of the applicable Fund including, without limitation, preparing, updating and/or amending the applicable confidential private placement memorandum, limited partnership agreement, subscription agreement and/or investment management agreement, costs incurred in connection with complying with private placement regimes such as Form D and blue sky filings,

world sky matters and the European Alternative Investment Fund Managers Directive (if applicable) and similar fees and expenses; and preparing marketing brochures and “Due Diligence Questionnaires;” and such other costs and expenses that Linonia reasonably determines to be associated with the ongoing offering of the applicable Fund and the retention of capital; (iii) the general operating expenses of the applicable Fund including, without limitation, the following: costs and expenses associated with information technology hardware, software or other technology (including, without limitation, costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations and accounting functions, facilitate compliance with applicable laws or any self-regulatory organization (including reporting obligations); legal, accounting, auditing, consulting and other professional fees and expenses, including, without limitation, fees and expenses relating to the legal, tax and regulatory status of the Fund, the contractual and legal rights and obligations of such Fund with respect to its operations and investments, and audit and tax preparation; the fees and expenses of the “partnership representative;” administrative costs (including, without limitation, the fees and out-of-pocket expenses of the Administrator and its agents), establishing computer and systems connectivity with the Administrator and other third-party service providers, paying agency, transfer agency, accounting verification (if any) and/or investor registrar services and the costs of middle-office and back-office support as provided by the Administrator; due-diligence expenses related to maintaining service-provider relationships with the applicable Fund (including any travel-related due-diligence costs); costs and expenses relating to the applicable Fund and Linonia Capital, Linonia, their affiliates and any other principals, partners, members, managers, directors, officers and employees (the “**Investment Manager Parties**”) for obtaining and maintaining regulatory licenses as well as of maintaining U.S. and non-U.S. registration, regulatory and self-regulatory filings, reporting, responding to regulatory and governmental inquiries, subpoenas and proceedings (in each case, whether involving the applicable Fund or Linonia Capital and its affiliates in their capacity as investment manager and/or sponsor of such Fund); any filings or reporting with respect to compliance with FATCA, AEOI or similar laws enacted in other jurisdictions, as well as any foreign tax regime registrations, tax filings and associated annual fees and expenses; any fees and expenses related to compliance with anti-money laundering laws and regulations; costs associated with the operations of any Investment Subsidiaries; insurance premiums; and ERISA bonding costs, if applicable; and (iv) any extraordinary expenses including, without limitation, the following: the costs of any litigation or investigation involving the activities of the applicable Fund (including legal, accounting and investigative fees and expenses); the cost of settlements and indemnification expenses, including advances thereof; fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, including any related settlement and judicial review; and fees and expenses incurred in connection with the reorganization, restructuring, termination, winding-up or dissolution of the applicable Fund.

The Funds do not pay any of the internal expenses of Linonia Capital or Linonia (such as salaries, bonuses or office rent), except as may otherwise be set forth above.

All respective fund expenses are outlined in more detail in each Fund’s governing documents.

Neither Linonia nor its principals, executive officers or employees accept commissions or other compensation for the sale of shares or interests in the Funds or in connection with the purchase or sale of any securities for the Funds.

#### **ITEM 6: PERFORMANCE FEES AND SIDE-BY-SIDE MANAGEMENT**

Investors are typically subject to a 20% performance allocation (the “**Performance Allocation**”) determined pursuant to a specific calculation methodology depending upon the series of interests subscribed for by the investor. Generally, the Series A1 Interests are subject to a Performance Allocation determined based on the amount by which new appreciation achieved by such series (calculated on a high water mark basis) exceeds a cumulative hurdle amount, whereas the Series A2 Interests are subject to a Performance Allocation determined based on the amount by which such series outperforms a hypothetical rate of return of a certain index. The Performance Allocation is calculated and payable annually. For purposes of calculating the Performance Allocation, net profits include both realized and unrealized gains.

The existence of the Performance Allocation could theoretically incentivize Linonia to manage the Funds’ portfolios in a more aggressive, risky manner; however, Linonia attempts to minimize this risk by ensuring that it is managing the Funds’ portfolio in accordance with the Funds’ stated investment objectives. In addition, the Performance Allocation received by Linonia is based on both realized and unrealized gains and losses. As a result, the Performance Allocation earned could be based on unrealized gains that Investors may never realize.

Trading is conducted primarily by the Master Fund in which the Offshore Fund is a limited partner and all allocations within the Master Fund are allocated to investors proportionally based on their capital. Linonia is not subject to any conflict of interest that could otherwise be present if some accounts or investors were charged a performance allocation and others were not. Linonia will analyze trade allocation on a case by case basis and address any conflicts of interest that may arise. Linonia performs advisory services in accordance with its fiduciary duties to all clients and addresses any potential conflicts that may influence performance. Allocations between accounts are generally allocated on a pro rata basis based on assets under management or in some other manner, as Linonia is determined to be fair and equitable under the circumstances.

#### **ITEM 7: TYPES OF CLIENTS**

Linonia provides portfolio advisory and management services solely to the Funds based on their investment objectives and not based on the criteria or investment objectives of any individual investor of the Funds. In general, the interests/shares in the Funds are only offered to (i) “accredited investors,” as defined in Regulation D under the Securities Act, (ii) “qualified purchasers,” as defined in the Company Act and (iii) certain non-U.S. investors. Additionally, the Funds each have a minimum investment requirement of \$25,000,000 for investors, although this minimum may be waived or reduced as provided in the offering documents of each Fund.

## **ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **INVESTMENT STRATEGY**

Linonia seeks to generate attractive absolute total returns over the long-term, and through multiple economic cycles, while minimizing the risk of permanent impairment of capital. Linonia attempts to achieve its investment objective by acquiring concentrated positions in a small number of high-quality companies that it believes have the potential, over a multi-year holding period, to appreciate significantly in value. Usually, these companies fit into long-lived investment themes that Linonia assesses are conducive to long-term compounding. Such themes can include vertical market software, marketplaces, unique media content, aerospace, restaurant brands / “QSR”, consumer brands, and financial services, among others.

Linonia conducts deep fundamental research into its industries to identify the best expressions of these themes and develop a point of view about what target companies may be worth 5+ years in the future. Linonia generally favors monopolistic businesses (businesses that either have a dominant market position or are likely to have an increasingly dominant market position in the future) as well as unique franchises which tend to exhibit many of the same economic characteristics as monopoly businesses. In addition, Linonia generally prizes companies that compete in attractive end markets and enjoy significant growth potential in those end markets. Linonia also favors companies with high revenue retention and low customer churn, though these characteristics are not a prerequisite for investment.

Although Linonia may short-sell securities it believes are either over-valued or could serve as a hedge within the portfolio, the Funds are generally expected to have a significant long bias. The Funds generally invest primarily in equity securities that are listed and traded on internationally recognized exchanges. However, Linonia also searches for opportunities in a broad range of securities and asset classes, and the Funds may also invest in other levels of a company’s capital structure such as senior or subordinated debt as well as certain other securities such as credit default swaps, tradable bank loans, exchange-traded funds, options and indexes.

The Funds apply a “private equity” lens to the public markets. Linonia conducts fundamental research to identify companies whose long-term prospects it believes may be under-appreciated by public markets investors. Although the Funds generally invest in marketable securities, and in practice owns only a small percentage of each company in which they invest, Linonia generally evaluates each investment as though the Funds were to respectively own the entire company over the long-term.

In order to concentrate the Funds’ capital in investments that Linonia believes offer the highest risk-adjusted returns, the Funds’ portfolio is generally expected to be concentrated in between 5-15 “long” positions, with the majority of the Funds’ portfolio typically invested in 5-10 “high conviction” core positions that Linonia believes to have the potential to rise substantially in value over a 3-5 year time frame (although actual holding periods may be longer or shorter depending on Linonia’s ongoing assessment of the Funds’ positions). Accordingly, the Funds are not broadly diversified. Although the Funds have no formal concentration limits or diversification requirements, Linonia generally does not intend to acquire positions that exceed 25%, or constitute less than 4%, of a Fund’s aggregate net asset value at the time of acquisition (other than in limited



circumstances, such as where such Fund is in the initial stages of acquiring or closing out a stake in a particular position).

While a concentrated portfolio is conventionally viewed as higher risk (as compared to a more broadly diversified portfolio), Linonia believes concentration can also have the opposite effect because the Funds' portfolio will be significantly weighted towards the highest conviction ideas whose potential risks and rewards have been carefully analyzed (although there can be no assurance Linonia's assessments will be correct or that unanticipated circumstances and events will not arise). The majority of the Funds' portfolio will typically be invested in core positions that Linonia believes to have the greatest potential to rise substantially in value. Usually this means Linonia will target investments that Linonia believes can generate attractive compound annual returns over at least a 3-5 year time horizon. In addition to the Funds' portfolio exposure being concentrated primarily in a limited number of equity securities, the Funds' exposures also may be concentrated in various other respects, including, but not limited to, being concentrated in one or more industry or market sector.

Generally, the Funds may utilize leverage with respect to their investment activities when Linonia deems it appropriate.

Linonia may determine that certain investment opportunities appropriate for the Funds cannot or should not be acquired in full by the Funds based on various factors such as the size or composition of the Funds' overall portfolio, investment concentrations or other reasons deemed relevant by Linonia. In such instances, Linonia may (but is not required to) offer such excess investment opportunities to one or more investors in the Fund, to other funds or accounts managed by Linonia, Linonia Capital or their respective affiliates, or such other persons as determined by Linonia. Linonia has no obligation to offer any such co-investment opportunity to any investor by virtue of its investment in a Fund, and may offer such opportunities to fewer than all investors based on such factors as Linonia may determine.

An investment in the Funds is subject to various risks, including the risk of loss, that all investors should be prepared to bear.

### CERTAIN RISK FACTORS

Investing in the Funds involves a substantial degree of risk for the investor and is suitable only for persons having substantial financial resources who understand the long-term nature, the consequences, and the risks associated with the investment strategy utilized by Linonia. Some of those risks are summarized below. Prospective investors should carefully consider all the risks, which are described in detail in the offering documents for each of the Funds distributed to all potential investors in advance of their decision whether to invest. Prospective investors are also advised to consult their own legal, tax, and financial advisers about these risks and generally about an investment in the Funds.

*Market Risks in General.* Linonia's equity strategies are subject to multiple dimensions of market risk including, but not limited to: unexpected directional price movements; changes in the regulatory environment; changes in market volatility; political and market disruptions; misconduct

by management; inaccurate government and financial reporting and unequal access to market information.

The diversification of the Funds' positions will be limited and may not provide meaningful risk control. The particular or general types of market conditions in which the Funds may incur losses or experience unexpected performance volatility cannot be predicted, and the Funds may materially underperform other investment funds with substantially similar investment objectives and approaches.

*Declining Equity Markets.* The profit potential of the Funds may be materially diminished during market cycles in which there is a general decline in equity price levels.

*Volatility; Stagnant Markets.* The prices of the instruments traded by the Funds have been subject to periods of excessive volatility in the past, and such periods can be expected to recur. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation, interest-rate movements and general economic and political conditions. While volatility can create profit opportunities for the Funds, it can also create greater risk.

Although volatility is one indication of market risk, certain of the investment strategies employed by the Funds rely for their profitability on market volatility contributing to the mispricings which they are designed to identify. In periods of trendless or stagnant markets, certain of the strategies employed by the Funds may have materially diminished prospects for profitability.

*Inflation and Interest-Rate Risk.* Following an extended period during which interest rates have been at historic lows in a number of countries, the U.S. and many other countries have experienced rising inflation. In response to rising inflation, central banks and governments have taken corrective actions, including increasing short-term and long-term interest rates or changing monetary policies or interest-rate policies. Governmental efforts to curb inflation often have negative effects on the level of economic activity. The operations of the issuers in which the Funds invest may be sensitive to interest-rate changes. To the extent such issuers rely on financing for working capital needs, their profitability will be materially impacted by changes in interest rates. Similarly, rising interest rates generally increases the costs of any leverage used by the Funds. As such, inflation and rising interest rates can adversely affect the value of the Funds' investments and the performance of the Funds. There can be no assurance that inflation and interest rates will not continue to rise or have a material adverse effect on the Funds' strategies.

*Lack of Liquidity.* Linonia generally expects that all or substantially all of the Funds' portfolio will be highly liquid under normal market conditions. However, the market for certain of the instruments traded by the Funds may be or may become less liquid. Liquidity in the marketplace can drop dramatically in times of market stress or other unforeseen circumstances. Lack of liquidity can make it economically infeasible for the Funds to recognize profits on open positions or to close out open positions against which the market is moving, and the Funds may be required to hold such securities and instruments despite adverse price movements. In addition, if

the Funds make a short sale of an illiquid or less liquid security or instrument, they may have difficulty in covering the short sale, resulting in a potentially unlimited loss on that position.

*Potential Loss of Investment.* An investment in the Funds is speculative and involves substantial risks. There can be no assurance that the Funds will achieve its objective or avoid incurring substantial or total losses.

Alternative investment strategies which use leverage and/or take short positions — such as the strategy implemented by Linonia for the Funds — are subject to a “risk of ruin” to which traditional, unleveraged, all-long strategies are not. The use of leverage and short positions by alternative strategies not only increases the risk of loss, but also makes such strategies dependent on the willingness of brokers and dealers to continue to extend credit and lend securities to be sold short.

*Past Performance is not Indicative of Future Results.* The past performance of the Funds (once they commence operations) and/or the Principal is not necessarily indicative of future results, and there can be no assurance that the Funds’ performance will be comparable in the future to how they have performed in the past. In particular, due to the concentrated “buy and hold” nature of Linonia’s strategies, certain individual positions acquired by the Funds may have a material and disproportionate contribution to the overall performance of the Funds during their holding periods (as compared to the Funds’ portfolio in general) that cannot or will not be replicated in the future.

*Dependence on Linonia and the Principal.* The Funds are dependent on the services of Linonia, and Linonia, in turn, is dependent on the services of the Principal, for directing the investing and trading activities of the Funds. The success of the Funds is therefore heavily dependent on the activities, judgment and availability of the Principal. If the services of the Principal became unavailable to Linonia for any reason, it could — at least in the foreseeable future — have a material adverse effect on the Funds, and potentially result in the winding-up and dissolution of the Funds, perhaps under disadvantageous market conditions.

*Not a Complete Investment Program.* The Funds’ portfolio is generally expected to be concentrated in a limited number of investments and is not broadly diversified. The less diversified nature of the Funds’ strategy (as compared to more broadly diversified strategies and portfolios) can result in increased performance volatility and risk. The Funds are not intended as, and do not constitute, a complete investment program.

*No Assurance of Non-Correlation to Traditional Portfolios.* One of the potential benefits of including “alternative” investment strategies in a traditional portfolio is the potential risk control gained from diversifying a portfolio into investment strategies that may not be highly correlated with the overall equity markets in general. However, there can be no assurance, particularly during periods of market disruption and stress when the risk control benefits of diversification may be most important, that the Funds’ results will not be correlated to the general performance of the equity markets. Unless the Funds’ performance exhibits only limited correlation to the overall

equity markets, an investment in the Funds will not provide meaningful diversification benefits to an overall portfolio.

*Competition; Potential Strategy Saturation.* The Funds compete with numerous other private investment funds, financial institutions and other investors pursuing similar strategies, many of which may have substantially greater resources than the Funds and Linonia.

The amount of capital committed to alternative investment strategies has increased dramatically during recent years. The profit potential of the Funds may be materially reduced as a result of the “saturation” of the alternative investment field and competition for the same or similar types of trades and transactions.

*Risk of Loss Due to the Bankruptcy or Failure of Counterparties, Brokers or Exchanges.* The Funds are subject to the risk of the insolvency of its counterparties (such as broker-dealers, futures commission merchants, banks or other financial institutions, exchanges or clearinghouses).

The Funds’ assets could be lost or impounded during a counterparty’s bankruptcy or insolvency proceedings and a substantial portion or all of the Funds’ assets may become unavailable to it either permanently or for a matter of years. Were any such bankruptcy or insolvency to occur, Linonia might decide to liquidate, suspend, limit or otherwise alter trading, perhaps causing the Funds to miss significant profit opportunities and/or to suspend withdrawals. Even if the Funds do not lose any of its assets on deposit with a bankrupt or insolvent counterparty, the disruption of the Funds’ trading resulting from such counterparty’s inability to continue to function in such capacity could result in material losses to the Funds. Open positions held by the Funds may not be closed out merely because the Funds’ counterparty is unable to execute transactions, and may result in substantial losses which the Funds are powerless to prevent.

*Focus on Equity Securities; Directional Trading.* Although the Funds may trade a variety of financial instruments in implementing its investment strategy, Linonia generally expects that the Funds will invest primarily in publicly-traded equity securities and the Funds’ strategies are based primarily on attempting to predict the future price level of different equity or equity-related instruments. The prices of equity securities are directly affected by issuer-specific events, as well as general market conditions. Numerous interrelated and difficult-to-quantify economic factors, as well as market sentiment, subjective and extraneous political, climate-related and terrorist factors, influence the performance of equities. Price movements are often determined by unanticipated factors, and even if the determining factors are correctly identified, Linonia’s analysis of those factors may prove inaccurate, potentially leading to substantial losses. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. Even if Linonia’s analysis of a company’s fundamentals performs as expected, it is possible that its securities trade at a discount to Linonia’s appraisal of intrinsic value for an extended period of time, or even indefinitely. As the Funds’ equity positions may be leveraged, even comparatively minor adverse market movements can result in substantial losses. Furthermore, mismanagement or misconduct by corporate officers can cause the complete loss of an equity investment. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

Fundamental Analysis. The focus of Linonia's strategy is based on fundamental, "bottom-up" analysis of individual issuers. Fundamental analysis — which is based on the theory that market mispricings exist because market prices do not incorporate all knowable economic and other relevant data (in the case of Linonia, with particular emphasis on the idiosyncratic factors applicable to individual issuers) — is subject to the risk of inaccurate or incomplete market information, as well as the difficulty of predicting future prices based upon analysis of all known information. In addition, market sentiment may cause market prices to be materially discounted from the expected prices indicated by fundamental analysis or when technical factors, such as price momentum encouraged by trend following, dominate the market.

It is impossible to predict the time it will take for market price and intrinsic value to converge (if ever). Even if Linonia's fundamental analysis of the intrinsic value of an investment may be accurate, the Funds may be unable to hold the position until such intrinsic value is reflected in market price.

Concentration of Investments. The Funds' investment portfolio can be expected to be highly concentrated in the securities of relatively few issuers overall, with a majority of the Funds' portfolio generally expected to be concentrated in approximately ten of Linonia's highest conviction ideas. The concentrated nature of the Funds' portfolio may cause its performance to be more volatile than a more diversified portfolio, and a significant loss in any single position could have a material adverse effect on the Funds' overall performance, even if the remainder of the Funds' positions are successful.

Short Selling. Although the Funds' portfolio is generally expected to have a significant "long" bias, Linonia may from time to time short-sell securities that it believes are overvalued. Linonia may also use short positions to hedge against a specific identified company risk (for example, a publicly traded subsidiary) or to hedge against sector exposure.

Use of Leverage. The Funds invest on a leveraged basis, primarily through its borrowings. Losses incurred on the Funds' leveraged investments increase in direct proportion to the degree of leverage employed. The Funds also incur interest expense on the borrowings used to leverage its positions.

To the extent that the assets of the Funds have been leveraged through the borrowing of money, the purchase of securities on margin, or otherwise, the interest expense and other costs and premiums incurred in relation thereto may not be recovered. The level of interest rates generally, and the rates at which the Funds can borrow in particular, are an expense of the Funds and therefore affect its profitability. If gains earned by the Funds' portfolio fail to cover such costs, the net asset values of the Funds may decrease faster than if the Funds had not engaged in such borrowing transactions.

Equity Securities. The Funds generally expect to invest primarily in equity securities on a long and short basis. The value of equity securities is directly affected by issuer-specific events, as well as general market conditions that can adversely affect the prices of equity securities within a particular industry, market sector or in general. As a result, the Funds may suffer losses if they invest in equity instruments of issuers whose performance diverges from Linonia's expectations or if equity markets generally move in an unfavorable direction with respect to the

various equity security positions. The Funds also may be exposed to risks that issuers will not fulfill contractual obligations, such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

*Small Cap and Mid Cap Stocks in General.* The Funds may invest a portion of their capital (which may be material) in small cap and mid cap stocks. The small cap and mid cap equity markets are, in general, subject to a number of materially greater risks than the larger capitalization equity market. In particular, the securities of small cap and mid cap issuers are often more volatile and less liquid than investments in larger issuers, and more likely to be adversely affected by poor economic or market conditions. Among the reasons for such increased risk are: the generally smaller amount of information that is available concerning small cap and mid cap issuers or stocks rather than large cap issuers or stocks; the tendency of all small cap and mid cap stocks to trade down during periods of market crisis; the greater chance for management misconduct or incompetence to materially adversely affect the prospects for the issuer as a whole; and the comparative illiquidity of the small cap and mid cap market, creating the possibility of unusually wide bid-ask spreads and increasing the expected delay before the market value is brought into equilibrium with actual or realizable value.

Small and mid cap issuers can be particularly vulnerable to changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, regulatory environment, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors outside the control of Linonia, that can substantially and adversely affect the business and prospects of the Funds. In addition, small cap and mid cap issuers may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure.

*Fixed-Income Investments.* Linonia could invest in fixed-income securities, such as debt securities issued by the U.S. government, or guaranteed by the U.S. government or any agency thereof, for defensive, liquidity or other purposes. The pricing of fixed-income instruments is directly affected by interest-rate changes. When interest rates decline, the value of outstanding fixed-income instruments typically rises. Conversely, when interest rates rise, the value of outstanding fixed-income instruments typically declines.

*Exchange-Traded Funds.* In order to gain market exposure, hedge positions or enhance returns, the Funds may make investments in the securities of narrow or broad-based exchange-traded funds (“ETFs”) in different asset classes and sectors. ETF securities represent interests in (i) fixed portfolios of common stocks designed to track the price and dividend yield performance of broad-based securities indices (such as the S&P 500 or NASDAQ 100) or (ii) “baskets” of industry-specific securities. ETF securities are traded on an exchange like shares of common stock, and the values of ETF securities fluctuate in relation to changes in the value of the underlying portfolio of securities. However, the market price of ETF securities may not be equivalent to the pro rata value of the underlying portfolio of securities. ETF securities are subject to the risks of an investment in a broad-based portfolio of common stocks or to the risks of a concentrated, industry-specific investment in common stocks.

*Non-U.S. Investments.* The Funds may invest globally, including in the securities of non-U.S. issuers listed on non-U.S. exchanges, which may include investments in lesser developed and emerging markets. Investing in non-U.S. issuers and markets can involve (to a greater or lesser degree depending on the geography) certain risks and special considerations not typically associated with investing in the most developed economies or securities markets. Such risks may include: (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and the smaller capitalization of the securities markets; (v) currency exchange-rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on the Funds' abilities to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers, and the information that is available may be unreliable; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in emerging markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of Funds' portfolio securities and cash with non-U.S. sub-custodians and securities depositories. The foregoing risks tend to be exacerbated in lesser developed and emerging markets.

*Co-Investments.* Linonia may determine that certain investment opportunities appropriate for a Fund cannot or should not be acquired in full by such Fund based on such factors as the size or composition of the Funds' overall portfolio, investment concentration or other reasons deemed relevant by Linonia. In such instances, Linonia may (but is not required to) offer such excess investment opportunities to one or more investors in the Funds, to other funds or accounts managed by Linonia, Linonia Capital or their respective affiliates, or such other persons as determined by Linonia. Linonia has no obligation to offer any such co-investment opportunity to any investor by virtue of its investment in the Funds, and may offer such opportunities to fewer than all investors based on such factors as Linonia may determine. Investors participating in co-investment opportunities may do so by acquiring a separate class or series of interests or shares issued by the Funds that participates only in such co-investment opportunity (effectively, a "side pocket" investment within the Funds), or through vehicles managed by or otherwise affiliated with Linonia (in each case, a "Co-Investment Vehicle"). Alternatively, certain investors may invest directly in a particular co-investment opportunity alongside the Funds and/or a Co-Investment Vehicle. The fees, other compensation, and terms of any investment in a Co-Investment Vehicle may differ from the fees, other compensation, or terms of an investment in a Fund. Those participating in such a co-investment opportunity, including those participating through a Co-Investment Vehicle, may liquidate a co-investment at a different time or times, and in different amounts than the Funds, which may have an adverse effect on one or more Funds.

Any expenses reasonably determined by Linonia to be attributable and payable by a Fund and a Co-Investment Vehicle will be allocated pro rata among such Fund and any Co-Investment Vehicles or in such other manner Linonia determines to be equitable under the circumstances. However, the applicable Fund will bear all out of pocket expenses (including, without limitation, legal and accounting costs) associated with any co-investment opportunity that is unconsummated,

including any portion thereof that may or would have been allocated to potential investors had such co-investment been consummated.

*Currency Risks.* The Funds may invest in securities or other instruments that are denominated in a currency other than the U.S. Dollar. Fluctuations in the value of such currencies as compared to the U.S. Dollar may have a material effect on the performance of the Funds (which could be positive or negative). Linonia may, but is not obligated to, hedge currency risk. Any currency hedging transactions could result in substantial transaction costs as well as losses.

*Equity-Linked Instruments and Related Options.* Certain financial instruments traded by the Funds may be referenced to underlying equities but also incorporate other components — duration, strike price, premiums, etc. — which can result in the Funds' positions being unprofitable even though Linonia may have correctly assessed the market value of the underlying equity instrument. Linonia may trade in put and call options, which involve qualitatively different risks than owning the underlying common stock.

Options may be traded on and off exchanges. An option is a right, purchased for a certain price, to either buy or sell an underlying futures contract, security or other financial instrument. Such trading involves risks substantially similar to those involved in trading futures and forward contracts in that options are speculative and highly leveraged. Specific market movements of the instruments 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 a theoretically unlimited risk of loss resulting from differences among the premium received for the option, the strike price of the option and the price of the underlying instrument or reference price used to settle the option. Market volatility is a fundamental component of options pricing. Linonia may buy or sell (write) both call options and put options on behalf of the Funds on either a covered or an uncovered basis.

*Cybersecurity Risks.* Linonia Capital, Linonia, the Funds and their service providers, counterparties and electronic communication networks are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. 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 Linonia's hardware or software functionality could lead to material or even complete losses to the Funds. Hackers could also theoretically access and steal Linonia's research or 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 Funds or otherwise render the research or trading program obsolete, possibly resulting in material or complete losses to the Funds. The Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, 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 Linonia and the Funds to civil liability as well as



regulatory inquiry and/or action. In addition, investors could be exposed to additional losses as a result of unauthorized use of their personal information. There are inherent limitations in business continuity plans and systems designed to prevent cyber-attacks, including the possibility that certain risks have not been identified.

## **ITEM 9: DISCIPLINARY INFORMATION**

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

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither Linonia, nor its principals or any executive officer is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer, a futures commission merchant, and a commodity pool operator, a commodity trading advisor or an associated person of any of the foregoing entities.

Linonia and Linonia Capital are controlled by the same persons and are therefore related entities. Additionally, the Funds may be considered related entities of Linonia. Other than as described in other sections of this brochure, neither Linonia, nor its principals or any executive officer has any relationship or arrangement with a related person that is material to its advisory business or its clients or could create a material conflict of interest with clients.

Neither Linonia, nor its principals or any executive officer has any relationship or arrangement with a related person that is material to its advisory business or investors or could create a material conflict of interest with investors.

Linonia and its principals are required to devote only so much of their time to the affairs of the Funds as they reasonably believe is necessary in good faith. Such persons are not prohibited from engaging in any other existing or future business or in other investment activities but these persons owe the Funds' investors an affirmative duty of utmost good faith, undivided loyalty, full and fair disclosure of all material facts, and an affirmative obligation to employ reasonable care to avoid misleading them.

Neither Linonia, nor its principal, recommends or selects other investment advisers for the Funds.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **CODE OF ETHICS**

Linonia recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its Investors; (ii) its long-term business interests are best served by adherence to the principle that the interests of Investors come first; and (iii) it has a fiduciary duty to its Investors to act for their benefit. All Linonia personnel must put the interests of the Funds and its Investors before their own personal interests and must act honestly and fairly in all

respects in dealings with Investors. All Linonia personnel must also comply with federal securities laws.

Accordingly, Linonia has adopted a written code of ethics (“**Code of Ethics**”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act, which requires that investment advisers adopt a Code of Ethics setting forth standards of business conduct and compliance with federal securities laws by all employees. Linonia’s Code of Ethics has three primary objectives, namely to ensure that Linonia’s employees: (1) place the interests of advisory clients first; (2) avoid taking inappropriate advantage of their position in the firm; and (3) prevent insider trading by protecting material non-public information.

Linonia’s employees must also avoid any personal interest outside of Linonia which could be placed ahead of their fiduciary obligation to Linonia and to Linonia’s advisory clients. Conflicts may exist even when there is an appearance of a conflict and no wrongdoing. The opportunity to act improperly may be enough to create the appearance of a conflict. Linonia recognizes and respects an employee’s right of privacy concerning personal affairs, but requires full and timely disclosure of any situation which could result in a conflict of interest or even the appearance of a conflict. Whether or not a conflict exists will be determined by the Chief Compliance Officer.

Linonia has a personal trading policy, which sets forth standards of ethical and business conduct expected of Linonia’s personnel and addresses conflicts that may arise from personal trading by Linonia personnel. The Code of Ethics accordingly includes provisions designed to ensure compliance with the securities laws and to address conflicts of interest that are appropriate, practical and relevant to the operations of the firm.

Employees of Linonia may also serve as directors of companies whose securities Linonia or Linonia’s supervised persons may purchase or sell on behalf of the Funds. In connection with such services, such persons may receive directors’ fees or other similar compensation attributable to such employees’ services. Also, by reason of its activities, Linonia will not be free to disclose or act upon such confidential activities where Linonia may acquire confidential information or be restricted from transacting in certain information; as a result, Linonia may not be able to initiate a transaction in which it otherwise might have engaged.

Linonia will provide a copy of its Code of Ethics upon request.

#### CERTAIN CONFLICTS OF INTEREST

*General.* Linonia may manage one or more other accounts, and there is no limit on the number of such other accounts that may be managed and/or advised by Linonia. Linonia may have financial incentives to favor certain other accounts over the Funds. Even if Linonia does not have such incentives, Linonia will be required to allocate its resources among the Fund and the other accounts that Linonia manages and/or advises.

Certain other accounts pursue similar or overlapping strategies to those implemented by the Fund. Linonia seeks to allocate investment opportunities and treat all similarly situated funds and accounts fairly and equitably over time to the extent such opportunities are determined to be appropriate for the Funds and other accounts, subject to the materially different regulatory requirements and other distinguishing factors applicable to different other accounts. Nonetheless,

Linonia may have a material conflict of interest between allocating investment opportunities in a manner that treats all other accounts fairly over time and allocating investment opportunities in a manner that maximizes performance-based compensation, as well as in accommodating varying withdrawal or redemption terms. Although Linonia has an investment allocation policy designed to treat all such other accounts fairly over time, the performance of the Funds and other accounts may differ substantially even though their investment objectives and strategies may be substantially the same or similar. Other accounts may substantially outperform the Funds.

Linonia may trade on behalf of other accounts in a manner that differs from or conflicts with trades made on behalf of the Funds, even though they implement similar or overlapping investment programs, due to different regulatory requirements, overall investment objectives and strategies, client instructions or mandates, relative capitalization and cash availability, associated risk management policies and procedures and other factors.

Linonia may engage in a wide variety of business transactions with parties that provide services to the Funds as well as parties that trade in the same markets as the Funds.

By reason of the other business activities of one or more of the Investment Manager Parties, Linonia may not be able, or may determine not, to initiate a transaction for the Fund that Linonia would otherwise have initiated for the Funds. For example, an Investment Manager Party may from time to time inadvertently receive “material non-public information” relating to an issuer, in which case Linonia would be prevented from transacting in the stock (or other securities) of such issuer (including closing out existing positions in such issuer) until such information was made public or ceased to be material.

Allocation of Expenses. Expenses related to the internal operations and overhead of Linonia and its affiliates incurred while fulfilling their respective roles and responsibilities will not be allocated to the Linonia Partners Funds, except as otherwise specifically provided hereunder. However, Linonia may have a conflict of interest in determining whether an expense constitutes an operating expense of the Funds or Linonia’s general overhead. In addition, Linonia may manage other accounts in the future and may, to the extent permissible and reasonably practicable, allocate such costs and expenses among such other accounts (including the Funds) on the basis of their relative capitalizations or in such other manner as Linonia determines to be fair and reasonable under the circumstances.

Valuations. Linonia generally expects that substantially all of the positions held by the Master Fund will have a readily determinable market value. However, to the extent there is any uncertainty in valuing the Master Fund’s positions, Linonia Capital will have a conflict of interest between providing the most accurate valuations and increasing the value of open positions, and thereby increasing management fees and performance allocations, as well as the apparent performance of the Fund. Linonia Capital and its delegates value the Master Fund’s portfolio in consultation with dealers, brokers and others, and are entitled to rely on information provided by third parties as well as Linonia in calculating net asset value.

Aggregation of Orders. To the extent Linonia advises other accounts, it may make investment decisions for the Master Fund together with or independently from such other accounts. Investments of the kind made by the Master Fund may often also be made by such other accounts.

Linonia may combine orders on behalf of the Master Fund with orders for other accounts for which Linonia has trading authority or in which Linonia has an economic interest. In such cases, Linonia will use best efforts to allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) among the various participants on an overall basis (exact equality of treatment may not be possible in each instance). While Linonia believes combining orders in this way will, over time, be advantageous to all participants, in particular cases the price could be less advantageous to the Master Fund than if the Master Fund had been the only account effecting the transaction or had completed its transaction before the other participants.

*Board Memberships.* Members of Linonia's portfolio management team may serve, from time to time, as directors or officers, or in a similar capacity, with respect to an issuer of securities held by the Funds. Although such members will only do so if Linonia believes it is in the best overall interests of the Funds, holding such positions could have an adverse effect on the Funds or their investors. For example, if such members (i) obtain material non-public information with respect to any issuer on whose board of directors they serve or (ii) are subject to trading restrictions pursuant to the internal trading policies of such an issuer, the Funds may be prohibited for a period of time from engaging in transactions with respect to the securities of such issuer, which prohibition may have an adverse effect on the Funds. In particular, if the Funds are unable to liquidate the securities of such an issuer following the receipt of redemption requests and prior to the subsequent redemption date, Linonia would need to liquidate other securities to satisfy such redemption requests, and thus the remaining investors will have increased exposure to the securities of such issuer (which may already constitute a material portion of the Funds' portfolio).

Linonia's Code of Ethics addresses any potential conflicts of interest in cases where Linonia's employees serve as directors of companies whose securities Linonia or Linonia's supervised persons may purchase or sell on behalf of the Funds.

## **ITEM 12: BROKERAGE PRACTICES**

Linonia is authorized to determine the broker to be used for each securities transaction on behalf of the Funds. In selecting brokers and negotiating commission rates for the Funds, Linonia takes into account the financial stability and reputation of brokerage firms, and the quality of the investment research, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by the broker, even though the Funds may or may not in any particular instance be the direct or indirect beneficiary of the research or other services provided. In selecting brokers or dealers to execute transactions, Linonia need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Linonia may cause the Funds to pay commissions to particular brokers that are higher than those charged by other brokers in exchange for products or services provided by the brokers receiving higher commissions, although Linonia in any case makes a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker.

Research services within Section 28(e) of the Exchange Act may include, but are not limited to the following: 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, including legal analysts and advice to the extent that the legal advice relates to

a particular investment or investment strategy; meetings with corporate executives; consultants' advice on portfolio strategy; market data; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto, such as connectivity services between a trader 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 trade confirmations or trade affirmations.

Linonia generally intends to limit its use of soft dollar services to obtaining services that it reasonably believes are consistent with the Section 28(e) safe harbor. However, subject to ERISA (if applicable), Linonia from time to time may enter into soft dollar arrangements which provide services to Linonia which fall outside of Section 28(e) if Linonia believes that doing so is reasonable and in the interests of the Funds.

Research and brokerage services obtained by the use of commissions arising from the Funds' portfolio transactions may be used by Linonia in its other investment activities. The Funds may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided in consideration of the "soft dollars" generated by the Funds' trading.

Brokers may refer investors to Linonia. As a result, Linonia has an incentive to select or recommend brokers based on such brokers providing client referrals, rather than upon the Funds' receiving the most favorable execution from the broker.

### Trade Errors

Linonia will from time to time make trade errors. Trade errors are not errors in judgment, strategy, market analysis or economic outlook, but rather errors in implementing specific trades which Linonia had determined (rightly or wrongly) to make. Examples of trade errors include: (i) buying or selling an investment at a price or quantity that is not intended; or (ii) buying rather than selling a particular investment (and vice versa). Trade errors can result from clerical mistakes, miscommunications between Linonia personnel and other reasons. Importantly, however, trade errors are not the function of poor strategies, valuation models, economic expectations, undue speculation, unauthorized trades, or the like, but rather of the physical implementation of specific trades on which Linonia had decided.

Linonia determines whether to have the costs arising from trade errors borne by the client or Linonia by applying the applicable standard of care. Linonia will, accordingly, be obligated to reimburse the client for any trade error resulting from Linonia's fraud, gross negligence or willful misconduct, but not otherwise. Linonia will itself determine in good faith whether or not a given trade error is required to be reimbursed under the applicable standard of care. This approach does not contemplate that Linonia would determine whether any individual trade error resulted from the Linonia's fraud, gross negligence or willful misconduct per se; rather, Linonia would likely

consider itself to have been grossly negligent if Linonia determines that its supervisory procedures were inadequate to prevent such errors from recurring with any frequency.

Linonia has a conflict of interest in determining whether a trade error should be for the account of the client or Linonia and attempts to resolve such conflict by an objective determination of the status of such trade error under the applicable liability standard.

Trade error costs can be significant — including market losses resulting from the position incorrectly acquired as well as the additional brokerage costs of closing out or reversing the error. The opportunity cost (lost profits) of not having made the trade intended to be made is not considered a trade error cost.

Any gains recognized on trade errors will be for the benefit of the Funds; none will be retained by Linonia.

### **ITEM 13: REVIEW OF ACCOUNTS**

The Principal reviews the investment strategies and portfolio decisions of the Funds on an ongoing basis. There is no set of circumstances or factors that triggers a review. Instead, the Principal maintains daily oversight of positions held, risk exposure and proper settlement.

Investors of the Funds generally receive the following reports (as applicable): (i) after the end of each fiscal year of the applicable Fund, annual audited financial statements and Schedules K-1 for the recently completed fiscal year; (ii) a month-end, unaudited, net performance estimate of the applicable Fund; (iii) a monthly investor statement including the unaudited closing net asset value of the investor's capital account; (iv) certain tax information relating to an investor's interest that is necessary for such investor to file their U.S. federal income tax returns, if applicable; and (v) such other information at such times as Linonia Capital may deem appropriate.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Linonia currently offers interests in the Funds directly to potential investors who generally have a pre-existing relationship with Linonia or its affiliates or agents without utilizing third party placement agents; however, in the future Linonia may, in its discretion, sell interests or shares through broker-dealers, placement agents and other persons ("third-party marketers"). In this case, Linonia may pay a marketing fee or commission in connection with these activities, including ongoing payments, at Linonia's own expense. Payments by Linonia may include fees otherwise payable to Linonia or Linonia Capital. Under no circumstances may Linonia make payments in any form to any investor or other person having influence on the decision-making process of that investor or person (unless the person exercising influence is an employee of Linonia or has a solicitor relationship as described above) for the purpose of obtaining or retaining that investor or person as an investor in the Funds.

Linonia may effect securities transactions through a number of broker-dealers. By virtue of it conducting business with broker-dealers, Linonia may receive certain economic benefits from such broker-dealers which would not be received if it did not transact through the broker-dealers. These benefits may include, but are not limited to: access to an electronic communication network

for order entry and account information; receipt of proprietary research; and participation in broker-dealer sponsored research and capital introduction services.

#### **ITEM 15: CUSTODY**

Linonia utilizes Morgan Stanley & Co. LLC and Interactive Brokers LLC as the qualified custodians for the Funds' assets. However, Linonia reserves the right to change the Funds' brokerage and custodial arrangements without prior notice to and without the consent of the investors. No restrictions have been imposed by the Funds on the transfer and reuse arrangements that the Funds may employ as a means of reducing the cost of any counterparty providing financing to the Funds.

Linonia has the authority to wire cash and/or pay expenses from the Funds and would be deemed to have custody of the Funds' assets under the Advisers Act. The Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and distributed within 120 days of each Fund's fiscal year end.

#### **ITEM 16: INVESTMENT DISCRETION**

Linonia buys and sells securities and other instruments for the Funds on a discretionary basis in a manner consistent with the Funds' investment objectives and restrictions, as set forth in the governing agreements and documents of the Funds.

Linonia is authorized to make the following determinations in accordance with the Funds' objectives and restrictions without obtaining prior consent of the Funds or Investor: (1) which securities or instruments to buy or sell; (2) the total amount of securities or instruments to buy or sell; (3) the executing broker or dealer for any transaction, and (4) the commission rates or commission equivalents charged for transactions.

#### **ITEM 17: VOTING CLIENT SECURITIES**

Linonia has a proxy voting policy that is designed to ensure that, in cases where Linonia votes proxies with respect to the Funds' securities, such proxies are voted in the best interests of the Funds. Linonia votes proxies on a case-by-case basis in accordance with such policy. The proxy voting policy also addresses the steps Linonia will take if it identifies a conflict of interest regarding voting.

Bruce Berger, the Chief Compliance Officer of Linonia, oversees the process by which it votes proxies. Linonia's proxy voting policy is available upon request.

#### **ITEM 18: FINANCIAL INFORMATION**

Linonia (i) does not require or solicit prepayment of fees by clients six or more months in advance and is therefore not required to include a balance sheet for its most recent fiscal year, (ii) is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and (iii) has not been the subject of a bankruptcy petition at any time during the past ten years.