

Fourth Sail Capital US LP

**[Remote]
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This Brochure provides information about the qualifications and business practices of Fourth Sail Capital US LP (“Fourth Sail” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at +1 646 355 2764 or by email at compliance4s@fourthsailcap.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 Fourth Sail Capital US LP is also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration as an investment adviser does not imply that Fourth Sail Capital US LP or any of its principals or employees possess a particular level of professional

competence, education or special training in the investment advisory business or any other business.

Item 2: Material Changes

This is Fourth Sail's initial Brochure filing. Therefore, there are no material changes applicable at this time. Material changes relating to the information contained in this Brochure will be included in subsequent filings.

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Item 4: Advisory Business

Advisory Firm

Fourth Sail is a Delaware Limited Partnership formed on July 08th, 2024. The beneficial owner of the Firm is Fourth Sail Capital LP ("**Fourth Sail LP**") with La Nina Capital LLC and La Pinta Partners Limited serving as Limited Partners for Fourth Sail LP.

Fourth Sail intends to function as an investment adviser to the Fourth Sail Discovery LLC and the Fourth Sail Long Short LLC (the "**Funds**") both of which are operated as Master-Feeder arrangements. The Funds are limited liability companies incorporated in Delaware, United States. The Funds have not been and will not be registered under the United States Investment Company Act of 1940, as amended, and the sale of interests will not be registered under the Securities Act of 1933, as amended.

Tordesilhas Capital Gestora de Recursos Ltda. ("**Tordesilhas**"), a limited liability company formed under the laws of Brazil (the "**Sub-Manager**"), serves as sub-manager to the Funds.

Fourth Sail LP acts as the General Partner ("**General Partner**") to the Funds and delegates the investment advisory rights to Fourth Sail and Tordesilhas.

Types of Services Offered

The principal activity of Fourth Sail is to provide discretionary investment management services, including investment advisory services, to the Funds. Fourth Sail conducts investment activities such as portfolio management, risk management, research, and trading from its office in Miami, Florida, United States for the ultimate benefit of the Funds and future clients of the Firm.

The investment objective of the Funds is to achieve positive long term returns by implementing various long/short and long only strategies. Fourth Sail provides delegated investment management and advisory services to the Funds based on specific investment objectives and strategies. The Fund's offering documents (as amended and supplemented from time to time) set forth the investment guidelines and/or the types of investments in which the Funds may invest.

Ability to Tailor Services and Impose Restrictions

The investment objectives and strategy for the Funds are described in the Funds' offering documents (the "**Governing Documents**"). Fourth Sail provides investment management and advisory services to the Funds, pursuant to the Governing Documents, based on the specific investment objectives and strategies of the individual Funds and does not provide services individually to investors in the Fund (the "**Investors**"). As Fourth Sail does not provide tailored advice to the Investors, the Investors should consider whether the Funds' investment strategies are in line with their risk tolerances. The Funds may from time to time enter into side letter agreements or other similar agreements ("**Side Letters**") providing Investors with additional and/or different rights and benefits.

Wrap Fee Programs

Fourth Sail does not participate, sponsor, or function as a portfolio manager for any wrap fee programs.

Client Assets

As of July 12th, 2024, Fourth Sail had approximately USD \$1,514,910,000.00 of regulatory assets under management. Because (i) Fourth Sail provides its advisory service to the Funds, by means of the delegation of investment advisory rights from the General Partner, on a discretionary basis and for the general benefit of the Funds and (ii) Fourth Sail's services are not restricted to any particular portfolio or account, Fourth Sail along with the Sub-Manager may be deemed to concurrently be advising all of the Fund's assets managed by Fourth Sail LP.

Item 5: Fees and Compensation

Management Fee

Investors in the Funds are charged a fee for investment management services based on assets under management (the “**Management Fee**”), which is set forth in the Funds’ Governing Documents. Fourth Sail receives an annual management fee of 1.5% to 2% per annum in respect of the net asset value (“**NAV**”) of the relevant class of shares or interests. The Management Fee is payable monthly in arrears as soon as practicable after the end of each calendar month. Fourth Sail may, in its sole discretion, waive, rebate, or decrease the Management Fee that is payable in whole or in part, in respect of certain Investors. The Funds may from time to time enter into Side Letters providing for changes in management fees.

Performance Based Compensation

In addition to the Management Fee, Fourth Sail receives performance-based compensation in the form of a performance fee or performance allocation (the “**Performance Fee**”) which is set forth in the Funds’ Governing Documents. The Performance Fee will accrue monthly as at the close of business on each valuation day and will be paid annually in arrears. Investors redeeming as of a date that is not the fiscal year end for the Funds will be assessed a Performance Fee calculated on a “crystallized” basis. Fourth Sail in its sole discretion, may reduce, waive, rebate, or modify the Performance Fee with respect to certain investors.

Other Costs and Expenses

The Funds bears all costs and expenses related to their investments and operations, including, without limitation, brokerage and other transaction costs, clearing and settlement charges, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, costs of any liability insurance obtained on behalf of the Funds or the Advisory Board, custody fees, costs of any litigation or investigation involving the Funds activities, indemnification expenses, research and investment consultancy expenses, the Management Fee, remuneration of independent advisors of the Funds, out of pocket expenses incurred by the Advisory Board of the Funds, the Performance Fee, the fees and expenses of professionals providing services to the Funds, including legal, audit, accounting, tax, administration, fees and expenses of the members of the Advisory Board, regulatory costs, any issue or transfer taxes chargeable in connection with any securities transactions, any entity level taxes, corporate fees payable to governments or agencies, regulatory filing and license fees, all fees payable to third party service providers in connection with trade confirmation, holdings and order reconciliation, communication or information expenses with respect to Investor services, expenses of meetings of Investors and of preparing, printing and distributing financial and other reports, proxy forms, offering memoranda and similar documents, the cost of obtaining and maintaining any future listing of the Funds’ shares or interests on any stock exchange and any extraordinary fees and expenses incurred by Fourth Sail on behalf of the Funds. Such expenses are generally shared by all of the Investors; provided, however, that certain expenses related to a particular series or class of shares or interests will only be applied to such series or class.

Sales Compensation

Fourth Sail and its Employees do not receive (directly or indirectly) any compensation from the purchase or sale of securities or investments for the Funds. Fourth Sail and its Employees do not receive (directly or indirectly) sales commissions in connection with sales of interests in the Funds.

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

As discussed in **Item 5** above, Fourth Sail will be entitled to receive performance-based compensation in connection with investment advisory services provided to the Funds.

Fourth Sail may vary the investment strategies employed on behalf of the Funds from those used for itself and/or for other clients. No assurance is given that the results of the trading by Fourth Sail on behalf of the Funds will be similar to that of other funds and/or accounts concurrently managed by Fourth Sail.

The Performance Fee, however, does create or potentially exacerbate a conflict of interest between Fourth Sail and the Funds in that it creates an incentive for Fourth Sail to trade and invest the Funds' capital in a manner that is intended to generate larger, short term profits, which could increase the risk present in the Funds' portfolio at any given time. Such potential conflict of interest is mitigated by the employment of a risk management framework by Fourth Sail, the details of which are set out in Item 8 as well as in the Governing Documents.

Item 7: Types of Clients

Fourth Sail currently provides investment advisory services for the ultimate benefit of the Funds. Investors in the Funds primarily include but are not limited to Institutional Investors.

The minimum initial investment amount for the Fourth Sail Long Short LLC is USD \$1,000,000 and the minimum initial investment amount for the Fourth Sail Discovery LLC is USD \$5,000,000. In certain circumstances, minimum investment amounts may be amended by the General Partner in consultation with the Advisory Board and Fourth Sail.

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

Investment Strategy and ObjectiveLong Short Fund

The investment strategy of the Long Short Fund is a long short equity strategy primarily focused on companies located in emerging and frontier Latin American markets. The Long Short Fund will focus on points of inflection in the global economy and embrace out-of-favor risks and asset classes.

The investment objective of the Long Short Fund is to achieve capital appreciation through superior returns on a long-term compound basis (5-10 years).

The Long Short Fund may make investments that are illiquid, restricted on sale, not susceptible to valuation prior to disposition or maturity, or that the General Partner otherwise determines should be held until the occurrence of certain events or for an extended period. Generally these investments are expected to be unregistered securities, often purchased in private placements, which are expected to be held by the Long Short Fund for an extended period of time.

Discovery Fund

The investment strategy of the Discovery Fund is a long short equity strategy primarily focused on companies located in emerging and frontier Latin American markets. The Discovery Fund will primarily focus on long investments on undervalued assets and embrace out-of-favor risks and asset classes.

The investment objective of the Discovery Fund is to achieve capital appreciation through superior investment returns on a long-term compound basis (5-10 years).

The Discovery Fund may make investments that are illiquid, restricted on sale, not susceptible to valuation prior to disposition or maturity, or that the General Partner otherwise determines should be held until the occurrence of certain events or for an extended period. Generally these investments are expected to be unregistered securities, often purchased in private placements, which are expected to be held by the Discovery Fund for an extended period of time.

Risk Factors

An investment in the Fund(s) carries a high degree of risk including, but not limited to, the risks referred to below. There can be no assurance that the individual investment objective will be achieved. The following risks should be carefully evaluated before making an investment in the Funds. All the risks discussed below apply equally to the Funds. Prospective investors should carefully evaluate the merits and risks of an investment in the context of their overall financial circumstances. These are speculative securities. Fourth Sail attempts to assess the following risk factors, and others, in determining the extent of the position the Funds will take in the relevant securities and the price it is willing to pay for such securities. However, such risks cannot be eliminated.

Risk of Loss

An investment in the Funds involves a risk of the loss of capital. The Funds are intended for sophisticated persons who are able to bear such risk. There can be no assurance that the

Funds will be able to generate returns for the Limited Partners or that the returns will be commensurate with the risks of investing in the assets of the Funds. There can be no assurance that any Limited Partner will receive any distribution from the Funds. An investment in the Funds should only be considered by persons who can afford a loss of their entire investment. Fourth Sail believes that the Funds investment program and research techniques moderate this risk to some degree, but can make no warranty or representation in this regard.

Past Performance Not Indicative

There can be no assurance that the Funds will achieve their investment objective. The past performance of the Funds may not be indicative of the future performance of the Funds.

Forward-Looking Statements

Certain statements in this document (including those relating to forecasts, current and future market conditions and trends in respect thereof) that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the General Partner. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Moreover, certain information contained in this document constitute “forward-looking statements”. When used in this document, the words “anticipate,” “believe,” “estimate,” “expect,” “target,” or “forecast” and similar expressions are generally intended to identify forward-looking statements. Such forward-looking statements, including the intended actions and performance objectives of the Funds, involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Funds, due to various risks and uncertainties, including, but not limited to, those set forth herein, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Trends and forward looking statements with respect to economic and market conditions and outlook described herein are based on the General Partner’s opinion and belief. Statements regarding current conditions and analysis of historical trends and events are also based on opinion and belief. No assurance can be given that the views, conditions or trends described herein will occur or continue, since this will depend upon future events and factors outside the control of the General Partner or Fourth Sail. These trends may not be indicative of future results. Due to various risks and uncertainties, including, but not limited to, those set forth herein, actual events or results or the actual performance of the Funds may differ materially from those reflected or contemplated in such forward-looking statements. No statements contained herein constitute a guarantee, projection or prediction of the future and actual events may differ significantly. All forward-looking statements in this document speak only as of the date hereof. The General Partner expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectation with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Dependence on the General Partner and Investment Manager

The success of the Funds is heavily dependent on the activities, judgment and availability of the officers and principals of the General Partner, Fourth Sail and the Sub-Manager, including Mr. Ariel Merenstein. An investor in the Funds must rely upon the ability of Fourth Sail to make investment decisions consistent with the Funds investment objectives and policies. Investors will not have the opportunity to personally evaluate the relevant economic, financial and other information that Fourth Sail will use when selecting and monitoring investments.

Risks Related to Investment Techniques

Certain investment techniques that the Funds may use are subject to certain risks that are summarized below.

General. The transactions in which the Funds will generally engage involve significant trading risks. No assurance can be given that Limited Partners will realize a profit on their investment. Each Limited Partner may lose some or all of the Limited Partner's investment. Because of the nature of the Funds investment activities, the results of the Funds operations may fluctuate significantly. Investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

General Economic and Market Conditions. The securities markets and the success of the Funds investment activities will be affected by general economic and market conditions, as well as by changes in laws, interest rates, availability and spreads of credit, credit defaults, inflation rates, economic uncertainty, currency exchange controls, and national and international political and socioeconomic circumstances. Market disruptions in a single country could cause a worsening of conditions on a regional and even a global level. These factors may affect the level and volatility of securities prices and the liquidity of the Funds investment, which could impair the Funds profitability or result in losses. In addition, general fluctuations in the market prices of securities and interest rates may affect the Funds investment opportunities and the value of the Funds' investments. A sustained or further downturn in certain local and/or global economy (or any particular segment thereof) could adversely affect the Funds profitability and impair the Funds ability to effectively exit its investments on favorable terms. Furthermore, the Funds are also subject to risks associated with emerging and Latin American markets. Any of the foregoing could result in substantial or total losses to the Funds in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a particular capital structure. Moreover, an economic downturn may also restrict the ability of the Funds to sell or liquidate securities at favorable times or for favorable prices or otherwise have an adverse impact on the business, financial condition and operations of the Funds. Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in an investment's capital structure. In the event of a market deterioration, the value of the Funds' investments may suffer a loss.

Equity Securities. The Funds invests primarily in long and short positions in common stocks, preferred stocks and convertible securities of Latin American issuers, as well as companies listed elsewhere but whose primary businesses are in Latin America. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities. The market price of equity securities may be affected by general economic and market conditions, such as a broad decline in stock market prices, or by conditions affecting specific issuers, such as changes in earnings forecasts.

Leverage. The Funds may from time to time seek to maximize their investment position by purchasing securities on margin. As a result, the possibilities of gains and losses will be increased. Borrowing money to purchase securities will provide the Funds with advantages of leverage, but will expose it to greater capital risk and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Funds investment profit to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Funds investment loss to increase faster than would otherwise be the case.

Short Sales. The Funds may engage in short selling of securities or indices, including purchases of put options. A short sale will result in a gain if the price of the securities sold declines

sufficiently between the time of the short sale and the time at which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of securities sold short increases or does not decline sufficiently to cover transaction costs. Any gain would be decreased, and any loss would be increased by the amount of any premium or interest that the Funds may be required to pay with respect to the borrowed securities. Short sales may expose the Funds to theoretically unlimited losses.

Risks of Global Investing. The Funds intend to invest in various capital markets throughout the world and primarily in emerging and frontier Latin American markets. As a result, the Funds will be subject to risks relating to: (i) currencies, including fluctuations in the rate of exchange between the United States dollar and the various foreign currencies in which the Funds' investments will be denominated, and costs associated with conversion of investment principal and income from one currency into another, and (ii) the possible imposition of foreign withholding or capital gains taxes on income received from or capital gains with respect to such securities. In addition, certain of these capital markets involve certain factors not typically associated with investing in more established securities markets, including risks relating to: differences between markets, including low trading volume and potential price volatility in and relative illiquidity of some foreign securities markets; the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; certain economic and political risks, including the possibility of expropriation, nationalization, confiscatory taxation, taxation of income earned in foreign nations or other taxes imposed relating to investments in foreign nations, foreign exchange controls (which may include suspension of the ability to transfer currency from a given country), political or social instability or the risk of repatriation or government confiscation, and adverse diplomatic developments; limited publicly available information about issuers; and potential difficulties in pursuing legal remedies.

Risks of Emerging and Frontier Latin American Markets. The Funds intend to invest primarily in emerging and frontier Latin American markets. Such markets are generally less mature and developed than those in advanced countries. There are significant risks involved in investing in emerging and frontier Latin American markets, including liquidity risks, sometimes aggravated by rapid and large outflow of "hot money" and capital flight, currency risks, and political risks, including potential exchange control regulations and potential restrictions on foreign investment and repatriation of capital. In many cases, such risks are significantly higher than those in developed markets. Different emerging and frontier Latin American market countries have different laws and regulations, and in some, foreign investment is controlled or restricted to varying degrees. In some countries prior government approval is required for foreign investments, or there are regulations that may limit the amount of the foreign investment in a particular type of investment, company or sector of the economy, or there are certain restrictions on foreign capital remittances abroad. There are also different fiscal policies: (i) in some countries the same treatment is given to nationals as to foreigners; (ii) in other countries capital gains are may or may not be taxable for foreigners; and (iii) in some countries interest income from some securities may not be taxable, or may be taxable at lower rates. Latin American markets differ from the United States and other developed countries in certain respects, including wealth and income distribution, stability of the political and regulatory framework, and efficiency of government bodies. There are numerous unpredictable and unquantifiable risks that range from potential power shortages to modifications in the labor legislation, to social unrest to inadequate government intervention in specific activities that could worsen the financial conditions or the operating results of the Funds securities. Such events could adversely affect the overall value of the Funds securities and reduce investors' returns.

Legal and Regulatory Risks. The investment in certain jurisdictions may not offer the same protections to an investor that such investor's country of origin or more developed countries

would with respect to matters such as, but not limited to, corporate governance, commercial law, creditors' rights and bankruptcy. New laws and regulations may be issued, and existing laws and regulations are subject to revision. In addition, administrative agencies and courts may not provide adequate or timely guidance as to the interpretation or application of laws, and proceedings before such bodies may result in significant delays. In many cases, existing laws offer limited protection to minority shareholders. Fiduciary duty doctrines may be limited in certain jurisdictions, and the right of shareholders to bring suit may be limited. Management or controlling shareholders may be able to take action against the interests of minority shareholders that could result in share dilution. It may be more difficult for the Funds to protect its position or enforce its rights against controlling shareholders or directors, as applicable, than it would be for minority shareholders in other more developed countries. Government supervision of businesses in certain jurisdictions may be less rigorous and less information may be available than in other countries due to differing regulations, reporting requirements and accounting, auditing and financial reporting standards. Courts in certain jurisdictions may not have experience in commercial dispute resolution, and many of the procedural remedies for enforcement and protection of legal rights typically found in other jurisdictions may not be available in such jurisdictions. The extent to which local parties and entities, including local governmental agencies, will recognize the contractual and other rights of the parties with which they deal is uncertain. The Funds may therefore be unable to protect and enforce its rights against local governmental and private entities.

Fixed Income Securities. The Funds may invest in bonds and other fixed income securities, including commercial paper and "higher yielding" (and, therefore, higher risk) debt securities. Debt securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer, and general market liquidity (i.e., market risk). Such securities may be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, and tend to be more sensitive to economic conditions than are higher rated securities. Companies that issue such securities often are highly leveraged and may not have available to them more traditional methods of financing. A major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Sovereign Debt. The Funds may invest in debt securities issued by governments and their agencies, including governments of emerging and frontier Latin American markets. Investing in instruments of government issuers in emerging and frontier Latin American markets may involve significant economic and political risks. Holders of certain emerging and frontier Latin American market instruments may be requested to participate in the restructuring and rescheduling of these obligations and to extend further loans to their issuers. The interests of holders of emerging and frontier Latin American market instruments could be adversely affected in the course of restructuring arrangements. The issuers of the sovereign debt securities in which the Funds may invest have in the past experienced serious difficulties in servicing their external debt obligations, with high level of outstanding debt and/or negative fiscal balances. These difficulties have, among other effects, forced such countries to reschedule interest and principal payments on obligations, and to restructure certain indebtedness. Rescheduling and restructuring arrangements have included reducing and rescheduling interest and principal payments by negotiating new or amended credit

agreements, or converting outstanding principal and unpaid interest to “Brady Bonds” or similar instruments, and obtaining new credit to finance interest payments. Sovereign debt rated below investment grade by Moody’s and S&P is regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal in accordance with the terms of the obligations. If the issuer is unsuccessful in maintaining debt levels, improving debt management policies or increasing fiscal balances, interest rates may increase, foreign investment may be discouraged and improvement in the macroeconomic environment may not materialize. Each of these factors may negatively affect the performance of the Funds and their investments.

Small and Mid-Cap Securities. The Funds may invest in companies with small and mid-cap market capitalizations. Such investments involve greater risk than investing in larger companies. The stock prices of small and mid-cap companies can rise very quickly and drop dramatically in a short period of time. This volatility results from a number of factors, including reliance by these companies on limited product lines, markets and financial and management resources and competition from larger companies. Companies with new products or services could sustain significant losses if projected markets do not materialize. These and other factors may make small and mid-cap companies more susceptible to setbacks or downturns. These companies may experience higher rates of bankruptcy or other failures than larger companies and they may be more likely to be negatively affected by changes in management. In addition, the stock of a small or mid-cap company may be thinly traded.

Currency Risk. Returns on certain securities held by the Funds may be influenced by currency risk as well as equity risk. Securities denominated in currencies other than the U.S. dollar may change in value in relation to the U.S. dollar, possibly for protracted periods of time. When any such currency rises against the U.S. dollar, the returns on securities denominated in that currency will also rise, and when that currency declines in value in relation to the U.S. dollar, the returns on securities denominated in that currency will decline accordingly. In addition, the value of the Fund’s assets may be affected by losses and other expenses incurred in converting between various currencies in order to purchase and sell interests in securities and by currency restrictions and exchange control regulation.

Counterparty Risk. The Funds are exposed to the risk that third parties that may owe the Funds money, securities or other assets will not perform their obligations. These parties include trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, administrators and other financial intermediaries. These parties may default on their obligations to the Funds due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have long-term obligations to make payments to the Funds, or executing securities, futures, currency or commodity trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. Also, any practice of rehypothecation of securities of the Funds held by counterparties could result in the loss of such securities upon the bankruptcy, insolvency or failure of such counterparties.

Forward Currency Contracts. The Funds may invest in forward currency contracts with banks, financial institutions or dealers acting as principal. Forward currency contracts may not be liquid in all circumstances, so that in volatile markets, to the extent the Funds wishes to do so, it may not be able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. Closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance that the Funds will be able to close out its obligations. There are no limitations on daily price moves in forward contracts. Banks and other financial institutions

with which the Funds may maintain accounts may require the Funds to deposit margin with respect to such trading. Banks are not required to continue to make markets in forward contracts. There have been periods during which certain banks have refused to quote prices for such forward contracts or have quoted prices with an unusually widespread difference between the price at which the bank is prepared to buy and that at which it is prepared to sell. The Funds will be subject to the risk of bank failure and the inability of, or refusal by, a bank to perform with respect to such contracts.

Investing in Stock Options and Stock Index Options. The purchaser of a put or call option runs the risk of losing the entire investment in a relatively short period of time. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

Futures. Futures prices can be highly volatile. Such volatility may lead to substantial risks and returns, generally much larger than in the case of equity or fixed-income investments. The Funds may trade futures on a leveraged basis due to the low margin deposits normally required for trading. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Funds. Futures trading at times may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Funds from promptly liquidating unfavorable positions, subjecting the Funds to substantial losses. In addition, the U.S. Commodity Futures Trading Commission ("CFTC") and various exchanges impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For purposes of complying with speculative position limits, the Funds outright futures positions will be required to be aggregated with any futures positions owned or controlled by Fourth Sail or any principal of Fourth Sail. As a result, the Funds may be unable to take positions in particular futures or may be forced to liquidate positions in particular futures. Non-U.S. commodity exchanges are not subject to the same regulation as U.S. commodity exchanges and trading on such non-U.S. commodity exchanges may be subject to greater risks than trading on U.S. commodity exchanges. For example, some non-U.S. exchanges are "principals' markets" in which no common clearing facility exists, and a trader may look only to the broker for performance of the contract. In addition, unless the Funds hedges against fluctuations in the exchange rate between the U.S. dollar (in which Limited Funds Interests are denominated) and other currencies in which trading is done on non-U.S. commodity exchanges, any profits that the Funds might realize in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Funds could incur losses as a result of those changes.

Swaps and Derivatives. The Funds may invest and trade in swaps, "synthetic" or derivative instruments, certain types of options and other customized financial instruments issued by banks, brokerage firms or other financial institutions. A swap is an agreement between the Funds and a financial intermediary whereby cash payments periodically are exchanged between the parties based upon changes in the price of an underlying asset (such as an equity security, an index of securities, or another asset or group of assets with a readily determinable value). Swaps and other derivatives are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty. Swaps and other forms of derivative instruments are not currently guaranteed by an exchange. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and the Funds may not be able to enter into an offsetting contract in order to be able to cover its risk. Regulatory changes in the United States and other countries may significantly impact the trading of swaps and other derivatives in the future.

Investments in “New Issues”. The FINRA New Issue Rules potentially restrict the extent to which certain broker-dealers that are FINRA members may sell certain New Issues to private investment vehicles such as the Funds. In certain cases, the FINRA New Issue Rules may preclude some Limited Partners from participating, in whole or in part, in allocations of profits or losses attributable to the Funds direct or indirect investments in New Issues. To the extent that a potential Limited Partner is subject to the restrictions of the FINRA New Issue Rules, an investment in the Funds may not yield the same performance results as may be achieved by investors who are entitled to participate without limitation in allocations of profits or losses attributable to New Issues.

Illiquidity. At various times, the markets for securities purchased or sold by the Funds may be “thin” or “illiquid”, making purchase or sale of securities at desired prices or in desired quantities difficult or impossible. Most securities exchanges around the world have authority to suspend trading in a particular security without notice. Markets in a number of instruments that may be utilized by the Funds, such as swaps and derivatives, are relatively new and still developing, and it is impossible to predict the amount of trading interest that may exist in those instruments in the future. The Funds may invest in private placements of securities that are not registered under the securities laws of any jurisdiction and may have little or no trading market. Certain markets may have slower clearance and settlement procedures, higher transaction costs and constraints on exposure to specific instruments as compared to more developed economies, which might limit or delay investments in particular assets. The relatively limited liquidity and inefficiencies associated with certain markets may affect the Funds ability to acquire or sell securities at the price and time it wishes to do so.

Valuation of Funds Assets. The Funds securities generally are valued by reference to their market price, based on independent market quotations wherever available, in accordance with U.S. generally accepted accounting principles (“GAAP”). However, when no market exists for an investment or when the General Partner determines that the market price does not fairly represent the value of the investment, the General Partner will value such investment as it reasonably determines.

Changes in Investment Strategies. The Funds Agreement gives the General Partner broad discretion to expand, revise or contract the Funds business without the consent of the Limited Partners. Thus, the investment strategies of the Funds may be altered without prior approval by, or notice to, the Limited Partners if the General Partner determines that such change is in the best interests of the Funds. Any such decision to engage in a new activity could result in the exposure of the Funds capital to additional risks that may be substantial.

Failure of Risk Management Procedures and Methods. The risk management techniques and strategies used by Fourth Sail may not be effective in mitigating the Funds risk exposure in all economic market environments or against all types of risk, including risks that Fourth Sail fails to identify or anticipate. Some of the qualitative tools and metrics for managing risk may fail to predict future risk exposures. These risk exposures could, for example, arise from factors Fourth Sail did not anticipate or correctly evaluate in its models. In addition, any quantified modeling performed does not take all risks into account and could prove insufficient, exposing the Funds to material unanticipated losses. Other risk management methods depend upon evaluation of information that is publicly available or otherwise accessible by Fourth Sail. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Hedging Transactions. The Funds may utilize financial instruments such as forward contracts, options, futures and swaps for hedging purposes or as part of its trading strategies. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions’ value. Hedging transactions may also limit the

opportunity for gain if the value of the portfolio position should increase. The success of the Funds hedging transactions is subject to the movements in the direction of securities prices and currency and interest rates. The degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. The Funds may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Funds from achieving the intended hedge or expose the Funds to risk of loss.

Diminished Liquidity; Systemic Risks. Investment funds and other investors engaged in investment strategies similar to some of the investment strategies engaged in by the Funds have in the past, especially during periods of market turmoil, experienced periods of substantial illiquidity with respect to certain types of investments that may be held by the Funds. The inability of the Funds or other investors to sell certain types of investments has and could lead to a potential inability of the Funds and other investors to meet margin calls or fund withdrawals, the impact of which can be further aggravated as dealers and counterparties reduce available credit lines and investors withdraw additional capital. In extreme market conditions, these factors can lead to a downward cycle that can have a significant adverse effect on the market prices of investments.

Business and Regulatory Risks of Hedge Funds

Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Funds and the ability of the Funds to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations and exchanges may be authorized to take extraordinary actions in the event of market emergencies. The regulation of short sales, swaps and other derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Funds could be substantial and adverse.

Natural Disasters and Other Events

The Funds and its investments may be affected by events beyond the control of the Funds and Fourth Sail, including earthquakes, hurricanes, floods or other natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, infrastructure failures, war, terrorism, labor strikes, or social or political unrest or instability. The General Partner and Fourth Sail are not able to predict the extent, severity or duration of these or other similar events or the impact that these events may have on the Funds or their investments.

Regulatory Intervention

The U.S. Securities and Exchange Commission ("SEC"), other regulators and self-regulatory organizations and exchanges are authorized to intervene, directly and by regulation, in certain markets and may restrict or prohibit market practices, such as the short-selling of certain stocks. Such intervention can be more frequent and more extensive in emerging markets. The length of any such prohibitions and types of securities affected can vary from country to country and may significantly affect the value of the Fund's holdings. The effect of any such regulatory change on the Funds could be substantial and adverse, and such regulation could impair the Funds ability to successfully execute its investment strategies and increase the costs of its operations.

Changing Regulatory Environment

The regulatory environment for private investment funds is evolving, and changes in regulation could occur that may adversely affect the Funds and their investment results, or some or all of the Limited Partners. There is a possibility that, in the future, the Funds may be subject to new or revised legislation or regulations, which may be enforced by entirely new governmental agencies. Similarly, the Funds may be adversely affected as a result of new or revised legislation, or regulations imposed by the SEC, the CFTC, the Internal Revenue Service (the “**IRS**”), other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The Funds or some or all of the Limited Partners also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive, and may affect the manner in which the Funds conducts business. Furthermore, new regulations may impair the ability of the Funds to obtain the leverage it seeks to pursue its investment strategies. New laws or regulations may also subject the Funds or some or all of the Limited Partners to increased taxes or other costs.

Brokerage and Custodial Risk

There are risks involved in dealing with the prime broker or custodians who settle trades and hold assets for the Funds. Although Fourth Sail monitors the prime broker and custodians used by the Funds and believes that they are appropriate custodians, there is no guarantee that the Funds prime broker or other custodians that the Funds may use from time to time, will not become bankrupt or insolvent. While U.S. laws seek to protect customer property in the event of a bankruptcy, insolvency, failure or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Funds assets, the Funds would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The Funds or its prime broker may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Funds. The Funds prime broker or other custodians may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Funds as a result of the bankruptcy or insolvency of any such sub-custodian. The Funds may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the Funds. Under certain circumstances, including certain transactions where the Funds’ assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the Funds prime broker, or where the Funds’ assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Funds and the Funds could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency or mismanagement in certain non-U.S. jurisdictions, the ability of the Funds to recover assets held by a sub-custodian in the event of the sub-custodian’s bankruptcy or insolvency could be in doubt, as the Funds may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical, or time problems associated with enforcing the Funds rights to its assets in the case of a bankruptcy or insolvency of any such party.

Accounting for Uncertainty in Income Taxes

ASC 740, “Income Taxes” (in part formerly known as “**FIN 48**”) 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 and interest and penalties with respect to tax positions. ASC 740 could have an adverse effect on the Fund’s Net Asset Value, including reducing the Net Asset Value to reflect reserves for income taxes that may be payable by the Funds in the future and increasing the Net Asset Value to reflect the reversal of any such reserves. Limited Partners that withdraw while the Net Asset Value of the Funds reflects such reserves will receive withdrawal proceeds reduced by such reserves and will not benefit from any reversal (and the corresponding Net Asset Value increase) subsequent to such withdrawal, while investors in the Funds who subscribed after such reserve was established will have the Net Asset Value of their interests increased by such a reversal.

Uncertainty in Certain Tax Positions

The Funds will be required to file tax returns with the U.S. Internal Revenue Service (“**IRS**”), and the Funds may also be required to file tax returns or make other filings in other jurisdictions. The Funds may take positions with respect to certain tax issues that may be challenged by the IRS or other tax authorities. Certain positions taken by the Funds may depend on legal conclusions not yet resolved by the relevant tax authorities or courts. If the IRS were to successfully challenge such a position, there could be an adverse effect on the net asset value of the Funds, including the imposition of withholding and/or net income taxes, and possibly interest and penalties. Current investors in the Funds may bear the economic effect of taxes, interest and penalties imposed on the Funds by the IRS or other taxing authorities with respect to income received by the Funds in earlier periods, even if such investors were not investors in the Funds during the tax year under audit. Prospective investors are urged to review carefully the Governing Documents section entitled “*Taxation – United States Federal Income Taxation*” and to consult their own tax advisers about the tax-related risks inherent in an investment in the Funds.

U.S. Audits

An audit adjustment by the IRS to the tax items of the Funds may result in the imposition of U.S. federal income tax, interest and penalties on the Funds, unless the Funds make a timely election for each of its partners to take into account the respective share of such adjustments on their own tax return. If this election is made, interest on any deficiency will be at a rate that is 2% higher than the interest rate otherwise applicable to tax underpayments. Absent such election, the tax liability imposed on the Funds generally is determined using the highest U.S. federal tax rates applicable to U.S. taxpayers, with the result that such tax liability may be at higher rates than would otherwise apply to the Funds as a corporation. The Funds may be able to reduce the amount owed in certain cases based on the status of the Funds as a non-U.S. corporation, or, under certain circumstances, if the Funds, as a partner in the Funds, pays any such tax owed and agrees to reflect such adjustments in its tax attributes (without having to file an amended U.S. tax return), but there is no assurance the Funds will be able to obtain any such reduction. These rules will also apply to any other entities treated as Funds for U.S. federal income tax purposes in which the Funds owns a direct or indirect interest and may result in the Funds bearing a portion of the tax liability resulting from any audit adjustment of such Funds, even if the Funds was not a partner of such Funds during the tax year under audit.

BEPS

Prospective investors should be aware that change to tax rules may result from the framework of proposals being developed as part of the OECD Base Erosion and Profit Shifting (“**BEPS**”) Project, in which over 100 countries and jurisdictions are participating. The nature, extent and

timing of tax changes which may result from these proposals is not certain and depends on how, if at all, jurisdictions choose to implement the proposals in their domestic law and their double tax treaties. Returns from the Funds may be adversely affected by the way in which relevant jurisdictions, including jurisdictions in or through which the Funds invests, implement the proposals.

International Information Reporting

In addition to FATCA (discussed below), the Funds may also be subject to other similar legislation, regulations or guidance enacted in other jurisdictions, in addition to the United States, which seek to implement similar financial account information reporting and/or withholding tax regimes, including, for example, the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard and any associated guidance, intergovernmental agreement, or regulation (collectively referred to as “**International Information Reporting**”). In the event that any investor fails to supply the requisite information or other documentation that will permit the Funds to comply with its International Information Reporting obligations, payments from the Funds to such investor may, among other things, be subject to any withholding imposed pursuant to FATCA or any other applicable legislation, regulations, rules or agreements, and such investor may be required to withdraw from the Funds.

By investing in the Funds, each Limited Partner shall be deemed to acknowledge that:

- the Funds may be required to disclose to the IRS (or other foreign fiscal authorities, as applicable) certain information in relation to such Limited Partner and its investment;
- the foreign fiscal authorities, as applicable, may be required to automatically exchange various information with the IRS and any other foreign fiscal authorities (as applicable);
- the Funds may be required to disclose to the IRS and other foreign fiscal authorities (as applicable) certain confidential information when registering with such authorities, and such authorities may contact the Funds with further enquiries; and
- the Funds may require such Limited Partner to provide additional information and/or documentation which the Funds may be required to disclose to the relevant foreign fiscal authority.

The foregoing summary does not address all of the provisions of FATCA or other reporting requirements that might be applicable to the Funds. Each Limited Partner should therefore consult its own tax advisers regarding the possible implications associated with International Information Reporting (and the reporting obligations that will apply to such Limited Partner, which may include providing certain information in respect of such Limited Partner’s beneficial owners and “controlling persons”) as it pertains to their investments in the Funds.

Requests for Information

The Funds, the General Partner, Fourth Sail, the Sub-Manager or any of their respective directors or agents may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency, under applicable law. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Funds, the General Partner,

Fourth Sail, the Sub-Manager or any of their directors or agents, may be prohibited from disclosing that the request has been made.

Limited Partner information may need to be shared by the Funds with its agents or with tax authorities if necessary or advisable to mitigate negative tax implications or penalties. In addition, the Funds and/or the Limited Partners may not be able to obtain beneficial tax treatment that may be afforded in certain structures if (i) Limited Partners fail to provide such information or (ii) Limited Partners (or their beneficial owners) are organized in certain “tax haven” jurisdictions or in other non-authorized jurisdictions, according to applicable local laws and regulations.

Other Jurisdictions. Many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies and the Funds could be requested or required to obtain certain assurances from investors subscribing for Funds’ interest to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the Funds policy to comply with any requirements to which it is or may become subject to and to interpret them broadly in favor of disclosure. Each investor will be required to agree and will be deemed to have agreed by reason of owning any Fund interests that it will provide additional information or take such other actions as may be necessary or advisable for the Funds (in the sole judgment of the Funds and/or the General Partner) to comply with any such requirements, related legal process or appropriate requests (whether formal or informal) or otherwise. Each investor by executing the subscription documents of the Funds consents, and by owning Fund interests is deemed to have consented, to disclosure by the Funds and its agents to relevant third parties of information pertaining to it in respect of requirements or information requests related thereto. Failure to honor any such request may result in redemption by the Funds or a forced sale to another investor of such investor’s interests in the Funds.

Limited Liquidity and Withdrawal Rights

An investment in the Funds provides limited liquidity since Limited Funds Interests are not freely transferable, and Limited Partners may only withdraw up to 25% of their capital at the end of each calendar quarter, subject to delivering at least 90 days prior written notice to the Funds and the other terms described herein. A full withdrawal may be only effected over the course of four consecutive Withdrawal Dates. Limited Partners may not make withdrawals in respect of designated investments until a Deemed Realization occurs with respect to such designated investment. The Funds will ordinarily pay at least 95% of the withdrawal proceeds within 10 business days after the relevant Withdrawal Date with the balance paid without interest within 15 business days after the annual audit of the financial statements of the Funds has been completed. The Funds have the right to suspend withdrawals or make payment on any withdrawal in cash or, in the discretion of the General Partner, in securities, or partly in cash and partly in securities. The Funds will deduct a withdrawal charge for the benefit of the Funds equal to 5% of any amount withdrawn within twelve months after the date such amount was invested in the Funds, unless waived by the General Partner.

Designated Investments

The Funds may, from time to time, invest its capital in restricted, illiquid or private securities that are designated as Designated Investments, or the General Partner may determine that an investment has become illiquid and should be treated as a Designated Investment. Such securities may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such securities are often volatile and may not be ascertainable. The

resale of restricted and illiquid securities often may have higher brokerage charges. Illiquid and restricted investments that are designated as Designated Investments will represent capital that is not available for Limited Partners upon a withdrawal. Designated Investments may be difficult to value. A Limited Partner who withdraws from the Funds will not be able to withdraw the balance of any Designated Investment Sub-Account until a Deemed Realization occurs with respect to the underlying Designated Investment (such as a cash sale, exchange for marketable securities, in-kind distribution or IPO). Consistent with this approach, the General Partner and its related persons will not receive any Performance Fee with respect to any Designated Investment until a Deemed Realization occurs with respect to such Designated Investment. In addition, any distribution to such withdrawing Limited Partner shall be net of any costs or expenses owed to the Funds, Fourth Sail, the Sub-Manager or the General Partner as of the date of such distribution.

Limited Regulatory Oversight

The Funds are not registered as an investment company under the Investment Company Act. Accordingly, certain provisions of the Investment Company Act (which, among other things, require investment companies to have a certain number of disinterested directors and regulate the relationship between the adviser and the investment company) will not be applicable. The General Partner is exempt from registration with the CFTC as a commodity pool operator with respect to the Funds and has filed a notice of claim of exemption to this effect with the CFTC.

Investment Restrictions on Certain Limited Partners

Certain prospective Limited Partners (such as tax-exempt foundations and employee benefit plans) may be subject to United States federal and state laws, rules and regulations which may regulate their participation in the Funds, or their engaging directly, or indirectly through an investment in the Funds, in investment strategies of the types that the Funds may utilize from time to time (e.g., the use of leverage, the purchase and sale of options and limited diversification).

Master-Feeder Structure

The Funds invest through a “master-feeder” structure. Although common, the “master-feeder” fund structure presents certain unique risks to investors. Investors in the Funds, and other feeder funds investing in the Funds may have conflicting investment, tax or other interests with respect to their investment. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of the acquisition of such investments, or the timing of disposition of investments. Fourth Sail will make investment decisions on behalf of the Funds without necessarily taking into account the different circumstances of investors in the different feeder funds investing in the Funds. For example, Fourth Sail could decide to hold an investment for more than 12 months, in order to permit investors subject to U.S. federal income tax to benefit from the reduced U.S. federal income tax rates applicable to long term capital gains.

Operational and Cybersecurity Risks

Fourth Sail is responsible for developing, implementing and operating appropriate systems and procedures to execute all investment transactions and monitor and control operational risk on behalf of the Funds. Fourth Sail relies on its execution, financial, accounting and other data processing systems to trade, clear and settle all transactions, to evaluate and monitor potential and existing portfolio investments, and to generate risk management and other reports that are critical to oversight of client accounts. Certain of Fourth Sail’s operations are dependent upon systems operated by third parties, including the Administrator, prime broker,

counterparties, electronic exchanges, other execution platforms and their various service providers. Fourth Sail may not be in a position to verify the reliability of such third-party systems or data. Failure of or errors in such systems could result in mistakes or delays in the execution, confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. The increasing reliance on internet-based programs and applications to conduct transactions and store data also creates increased security risks. Fourth Sail's information and technology systems may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications, or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Targeted cyber-attacks, or accidental events, can lead to a breach in computer and data systems and access by unauthorized persons to sensitive transactional or personal information. Data taken in breaches may be used by criminals to commit identity theft, obtain loans or payments under false identities, and other crimes. Cybersecurity breaches at Fourth Sail or its service providers or counterparties may directly or indirectly affect clients, and could lead to theft, data corruption, interference with business operations, disruption of operational systems, interference with Fourth Sail's or the Funds ability to execute transactions, direct financial loss or reputational damage, or violations of applicable laws related to data and privacy protection and consumer protection.

No Authority by Limited Partners

Decisions with respect to the management of the Funds' assets and decisions with respect to the overall management of the Funds will be made by the General Partner. Limited Partners will have no right or power to take part in the management of the Funds. As a result, the success of the Funds for the foreseeable future depends largely upon the abilities of the General Partner. Accordingly, no person should purchase an interest in the Funds unless such person is willing to entrust all aspects of the management, conduct and control of the Funds to the General Partner and its affiliates.

Liability of the Funds and Partners

The business of the Funds will be conducted by the General Partner, who will be liable for all debts and obligations of the Funds to the extent the Funds has insufficient assets. The liability of each Limited Partner for the debts, liabilities, losses and obligations of the Funds is limited to the amount of the capital contributed or agreed to be contributed to the Funds by such Limited Partner, plus such Limited Partner's pro rata share of any undistributed income of the Funds, except (i) if such Limited Partner takes part in the management of the business of the Funds or (ii) through non-compliance with the *Limited Funds Act* (Ontario). If the Funds are otherwise unable to meet its obligations, each Limited Partner is nevertheless liable to repay to the Funds or to its creditors (if the Funds has been dissolved) any portion of such Limited Partner's capital contribution returned to such Limited Partner, with interest, necessary to discharge the liabilities of the Funds to all creditors who extended credit or whose claims otherwise arose before the return of the contribution.

Possible Loss of Limited Liability

The *Limited Funds Act* (Ontario) provides that a limited partner benefits from limited liability unless, in addition to exercising rights and powers as a limited partner, such limited partner takes part in the control of the business of the limited funds of which such limited partner is a partner. In order that the liability of the Limited Partners be limited to the extent described above, certain legal requirements under the *Limited Funds Act* (Ontario) and other applicable provincial legislation must be satisfied.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

Broker Dealer Registration Status

Neither Fourth Sail nor any of its management persons are registered as broker-dealers or registered representatives of broker-dealers, and no applications are pending to register Fourth Sail or any of its management persons with the SEC as a broker-dealer or a registered representative of a broker-dealer.

Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Fourth Sail is not registered as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser, Introducing Broker, or Swap Dealer with the United States Commodity Futures Trading Commission (“**CFTC**”) or the National Futures Association (“**NFA**”).

Material Relationships or Arrangements with Industry Participants

Fourth Sail LP, a Cayman Islands exempted limited partnership, acts as General Partner of the Funds.

Tordesilhas, a limited liability company formed under the laws of Brazil, serves as Sub-Manager with respect to the Funds. Tordesilhas is authorized by the Brazilian Securities Commission (**Comissão de Valores Mobiliários – “CVM”**) to render portfolio management services and has filed with the SEC for an exemption as an exempt reporting adviser under the Investment Advisers Act of 1940.

All qualifying Fourth Sail LP and Tordesilhas personnel are treated as “**Access Persons**” by Fourth Sail within the meaning of Rule 204A-1 under the Investment Advisers Act of 1940 and are subjected to Fourth Sails Code of Ethics. Please see **Item 11**, “*Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading*” below for additional information about Fourth Sails Code of Ethics.

Other Material Relationships

Fourth Sail does not have other relationships that are material to the Firm’s advisory business or to its clients that the Firm or any of its management persons have with any of the following related persons: (i) a broker-dealer, municipal securities dealer, or government securities dealer or broker; (ii) an investment company or other pooled investment vehicle; (iii) a futures commission merchant, commodity pool operator, or commodity trading advisor; (iv) a banking or thrift institution; (v) an accountant or accounting firm; (vi) a lawyer or law firm; (vii) an insurance company or agency; (viii) a pension consultant; and (ix) a real estate broker or dealer sponsor or syndicator of limited funds.

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

Code of Ethics

In order to address conflicts of interest, Fourth Sail has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the “**Advisers Act**”) which is applicable to all employees of the Firm, subadvisors, managers, members, and employees (collectively, “**Employees**”), irrespective of their geographic location or the regulatory status of their specific employer.

The Firm has adopted a Code of Ethics that generally sets the standard of ethical and professional business conduct that the Firm requires of its Employees, requires Employees to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Employees. Additionally, the Code of Ethics sets forth Fourth Sail’s policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that the Firm and each of its Employees owe to Investors. The Code addresses personal account dealing, outside business activities of Employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and the pre-clearance and reporting of political contributions.

The Code of Ethics is circulated at least annually to all Employees, and each Employee at least annually must certify that he or she has received and followed the Code of Ethics and any amendments thereto. The Firm will provide a copy of the Code of Ethics to any client, prospective client, or Investor, free of charge, upon request.

Participation or Interest in Client Transactions

Employees, affiliates of the Employees, and relatives of the Employees may make investments in the Funds. Fourth Sail does not receive any compensation from such investments from Employees.

Principal Transactions / Cross Trades

In a “principal transaction,” an investment adviser, acting for its own account, buys a security from, or sells a security to, a client’s account. Fourth Sail does not intend to engage in principal transactions. Fourth Sail may engage in cross trades only if the transaction acts in the best interests of the clients involved, and when the clients expressly permit the transaction. To the extent that cross trades may be viewed as principal transactions due to the ownership interest in the Funds or other client by Fourth Sail and/or its Employees, Fourth Sail will comply with the requirements of Section 206(3) of the Advisers Act.

Personal Account Dealing

All Employees of the Firm and its affiliates must provide duplicate copies of brokerage statements to the Firm’s compliance team on a quarterly basis (“**Compliance Department**”). These records are used to monitor compliance with the Firm’s Compliance Manual and Code of Ethics.

The personal account dealing policy requires that:

- trades are subject to a general 60-day minimum holding period;
- securities cannot be traded if they are on the Firm’s restricted list;

- a Covered Person (defined below) may not purchase a security in an initial public offering available to the Fund without preclearance from the Compliance Department;
- Compliance Department will consider the volume of both personal and the Firm's trading when reviewing trade preclearance requests to determine whether trading may affect market prices.

The policy extends to the trading of Employees and certain other persons who have a relationship with the Firm or its personnel ("**Covered Persons**"). Covered Persons must obtain authorization from Compliance prior to purchasing, selling, or transferring certain types of securities, or exercising any option which is traded on exchanges in certain markets. Employees may not participate in any initial public offerings or limited offerings of investments in private companies before obtaining authorisation from the Compliance Department.

Any request for an exception under this policy must be submitted in writing to the Chief Compliance Officer with sufficient information for consideration. A copy of the Code of Ethics and Compliance Manual will be provided upon request.

Item 12: Brokerage Practices

Best Execution

Fourth Sail has responsibility for selecting brokers to execute trades and negotiating commissions paid with respect to the Funds' transactions.

Fourth Sail's primary consideration in placing transactions with particular brokers is to obtain execution in accordance with best execution standards. Fourth Sail will also evaluate a variety of criteria and use good faith judgment in seeking to obtain execution of portfolio transactions at commissions that are reasonable in relation to the brokerage and research services provided.

Criteria deemed relevant include: price, the size and type of the transaction; the reasonableness of compensation to be paid, including spreads and commission rates, which shall not be in excess of customary full service brokerage rates; the speed and certainty of trade executions, including broker willingness to commit capital; the nature and character of the markets for the security to be purchased or sold, including the degree of specialization of the broker in such market or securities; the availability of liquidity in the security, including the liquidity and depth afforded by a market center or market-maker; the reliability of a market center or broker; the trader's assessment of whether and how closely the broker will follow the trader's instructions to the broker; the degree of anonymity which a particular market or broker can provide; the potential for avoiding market impact; the execution services rendered on a continuing basis; the execution efficiency, settlement capability and financial condition of the Firm; arrangements for payment of the Funds' expenses; and the provision of additional brokerage and research goods and services.

Soft Dollar Arrangements

Fourth Sail may receive goods or services from a broker or a dealer in consideration of directing transaction business on behalf of the Funds to such broker or dealer provided that: (a) the goods or services can reasonably be expected to assist in the provision of investment services to the Funds, (b) transactions are executed on the best available terms, taking into account the market at the time for transactions of the kind and size concerned, (c) Fourth Sail does not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft dollars.

The services obtained by Fourth Sail are generally expected to be of a type that would qualify as brokerage or research services under Section 28(e) of the United States Securities Exchange Act of 1934, as amended ("**Section 28(e)**"). However, because the Fund's trades will, in some circumstances, be executed with dealers on a "principal basis", the services received by Fourth Sail may not always fall within the safe harbor provided by Section 28(e). In general, only those services received by Fourth Sail as a result of trades that are executed by its brokers on an agency basis (or, in certain limited circumstances, a "riskless principal" basis) will qualify for the safe harbor provided by Section 28(e). The transactions of the Funds which are entered into on its behalf by Fourth Sail and executed by brokers on a principal basis will not fall within Section 28(e). Under Section 28(e), certain research and/or brokerage services may be obtained with soft dollars generated by the Funds and used by Fourth Sail in servicing the Funds or other clients of the Firm.

Item 13: Review of Accounts

Review of Accounts

The Funds are reviewed by Fourth Sail to ensure that the structure and individual securities held are suitable and consistent with the objectives and strategies. In addition, the Firm also monitors the Funds to help ensure conformity with investment objectives and guidelines. The Firm engages in active management and, accordingly, performs daily trade and cash reconciliation.

Fourth Sail has also engaged the fund administrator to prepare monthly unaudited investor statements of the Funds' performance for the month.

Reporting to Clients

The Funds prepare the annual financial statements in accordance with United States Generally Accepted Accounting Principles ("**US GAAP**"). Copies of the audited financial statements will be issued to all Investors within 120 days of the Funds' fiscal year-end, ending on December 31, as required by Rule 206(4)-2 promulgated under the Advisers Act (the "**Custody Rule**").

The Firm will prepare and issue an investor newsletter on a monthly basis. The fund administrator will issue monthly account statements to Investors.

Item 14: Client Referrals and Other Compensation

Currently, Fourth Sail does not receive any economic benefit from anyone, other than the Funds, for providing investment advice and other advisory services to Funds.

In the event Fourth Sail engages third party marketers in the future, due diligence and background checks will be conducted prior to engagement to ensure that applicable regulatory registrations are in place and that they have adequate controls and procedures to monitor compliance with selling procedures and suitability requirements.

Item 15: Custody

Fourth Sail is subject to Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to the Funds because it complies with the provisions of the so-called “**Pooled Vehicle Annual Audit Exception**”, which, among other things, requires that each Fund be subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all Investors within 120 days of the end of its fiscal year, as discussed above. If you are a Fund investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this Brochure.

Item 16: Investment Discretion

Fourth Sail possesses discretionary portfolio management authority over the Funds with respect to managing the investments as per the Governing Documents in place between the Funds and Fourth Sail.

Item 17: Voting Client Securities

Where Fourth Sail and its affiliates have responsibility for voting proxies, the Firm will take measures designed to ensure that they are voted in the best interest of the Funds, which means voting with a view to enhancing the value of the Fund's securities. The financial interest of Investors in the Funds is the primary consideration in determining how their proxies will be voted. However, under circumstances when Fourth Sail believes that company management's proposal will not maximize value for the Fund, Fourth Sail will vote against company management. When voting proxies, Fourth Sail must identify and address material conflicts that may arise between the Firm's interests and those of the Fund.

If Fourth Sail determines that a conflict of interest exists as to a particular vote, the Firm will conduct an appropriate review to determine whether the conflict is material to the vote and resolve it in accordance with Fourth Sail's proxy voting policies.

Investors may request a copy of Fourth Sail's proxy voting policies, as well as relevant proxy voting records for the Fund, by contacting the Firm.

Item 18: Financial Information

Fourth Sail does not require or solicit prepayment of fees. There is no financial condition that is likely to impair Fourth Sail's ability to meet its contractual and fiduciary commitments to Funds.

Fourth Sail has not been the subject of a bankruptcy proceeding.

Item 19: Requirements for State-Registered Advisers

Not applicable.