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Form ADV Part 2A

April 29, 2024

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This brochure provides information about the qualifications and business practices of Kennedy Lewis Management LP ("Kennedy Lewis" or the "Firm"). If you have any questions about the content of this brochure, please contact Rachel Presa, Chief Compliance Officer, at [rachel.presa@klmlc.com](mailto:rachel.presa@klmlc.com). The information in this brochure has not been approved or verified by the Securities Exchange Commission (the "SEC") or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training. Additional information about Kennedy Lewis is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2.       Material Changes**

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Since the Kennedy Lewis' last annual update, Kennedy Lewis has made changes to reflect that certain Funds (as defined below) are charged a management fee based on Net Asset Value (as defined below) and an Incentive Allocation (as defined below) (see Item 5); other updates relating to the investment by certain Funds in the BDC (as defined below) and to reflect a change in a passive interest holder in Kennedy Lewis (see Item 10). All recipients of this brochure are encouraged to read it carefully in its entirety.

**Item 3. Table of Contents**

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**Item 4. Advisory Business**

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Kennedy Lewis Management LP (“Kennedy Lewis” or the “Firm”) was formed on September 15, 2017. The Firm’s headquarters are located in New York, NY. David Chene and Darren Richman control Kennedy Lewis. Mr. Chene and Mr. Richman are the Managing Partners of the Firm. Together Messrs. Richman and Chene manage the Firm with the assistance of their staff.

Kennedy Lewis is the investment adviser to the Kennedy Lewis Capital Partners Master Fund LP; Kennedy Lewis Capital Partners Master Fund II LP; Kennedy Lewis Capital Partners Master Fund III LP, their Delaware onshore feeders, and their Cayman Islands offshore feeder and intermediate funds, as well as certain parallel and co-investment and “funds of one” (collectively, the “Credit Opportunity Funds”). Kennedy Lewis is also the investment adviser to “funds of one” that invest in and/or alongside Kennedy Lewis Capital Company, an externally-managed, diversified, closed-end investment company that has elected to be regulated as a business development company (the “BDC” and such funds of one, the “Core Lending Funds”). As discussed in Item 10 below, Kennedy Lewis is affiliated with investment advisers (the “Affiliated Advisers”), including, without limitation, Kennedy Lewis Capital Holdings LLC, which serves as investment adviser to the BDC and Kennedy Lewis Residential Property Income Advisors LLC, which is the investment adviser to Kennedy Lewis Residential Property Income Company LP (the “KLRES Fund” and, collectively together with the Credit Opportunities Funds and the Core Lending Funds, the “Funds”).

For information about the investment strategy of Kennedy Lewis, see the discussion under Item 8 below. Further, details regarding the Funds can be found in the respective offering memoranda, limited partnership agreements and other governing documents (the “Governing Documents”). Kennedy Lewis generally manages each Fund pursuant to the objectives specified in the Governing Documents. The Funds’ investors generally do not have the right to restrict the Funds’ investing in certain securities or types of securities. Kennedy Lewis may tailor the advisory services it provides to certain Funds to the extent that certain investments cannot be held by certain Funds for legal, regulatory and/or tax reasons and pursuant to its general investment discretion, with respect to the investment activity of the Funds. Information regarding Kennedy Lewis Capital Holdings LLC and the BDC, which is relevant to the Core Lending Funds insofar as they make investments in the BDC, is provided in the Form ADV for Kennedy Lewis Capital Holdings LLC.

As of December 31, 2023, Kennedy Lewis had approximately \$8,967,513,000 in regulatory assets under management. As of that date, the Adviser managed \$8,967,513,000 on a discretionary basis and \$0 on a non-discretionary basis.

**Item 5. Fees and Compensation**

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Advisory Fees and Compensation.

Kennedy Lewis charges a management fee and is entitled to performance-based compensation in accordance with the respective Funds' Governing Documents. The information provided in this brochure regarding fees and expenses is not intended to be complete or final and is qualified in its entirety by the Governing Documents. Limited partners and prospective investors should read and review the Governing Documents of the respective Fund to fully understand the types of fees and expenses that are borne by the Fund.

Except as noted below and with respect to KLRES Fund, the Funds, as to each limited partner, pay Kennedy Lewis either (i) a quarterly management fee calculated at an annual rate of 1.0%-2.0% based on the Commitments (as defined in the Governing Documents), and in some cases an additional 0.50%-2.0% on Actively Invested Capital (as defined in the Governing Documents) as of the first day of each calendar quarter, or (ii) a monthly management fee calculated at an annual rate of 0.9% on Net Asset Value (as defined in the Governing Document) as of the first day of each calendar quarter. With respect to the Credit Opportunity Funds, the terms of the specific tranche of limited partner interests determines whether the management fee is calculated based on Commitments or Actively Invested Capital and after the investment period, the management fee will be calculated based on Actively Invested Capital.

The management fee payable by the Credit Opportunity Funds and the Core Lending Funds in any quarterly or monthly period, as applicable, is reduced by the sum of any transaction, management, investment banking, monitoring, closing, topping, break-up or other similar fees received by Kennedy Lewis, the general partner of the applicable Fund, or their affiliates (net of unrecouped partnership expenses that such person has elected to pay on behalf of the applicable Fund). The quarterly management fee is also reduced in an amount equal to the sum of all fees and expenses paid or reimbursed by the applicable Credit Opportunity Fund to placement agents in connection with the offering and sale of limited partnership interests in such Credit Opportunity Fund during the immediately preceding calendar quarter.

The KLRES Fund, as to each limited partner, pays Kennedy Lewis a monthly management fee calculated at an annual rate of 1.25% based on the Net Asset Value (as defined in the Governing Documents of the KLRES Fund) of such limited partner's Interests on such date.

Except as noted below, the general partners of the Funds or their affiliates are also entitled to receive carried interest or similar profit distributions ("Carried Interest") from the Funds or an allocation equal to 10% of profits above the set hurdle amount ("Incentive Allocation"). Carried Interest is a performance-based profit allocation based on a share of the income and gains of the assets in each applicable Fund. Carried Interest distributions for the Credit Opportunity Funds are typically 20.0% of distributions after investors have received a return of their capital contributions plus a preferred return. Carried Interest for the Credit Opportunity Funds is not calculated on the basis of unrealized gains and losses while the calculation of Incentive Allocation includes unrealized gains and losses.

Carried Interest distributions for the KLRES Fund are typically 12.5-15% of distributions above the set hurdle amount. The specific tranche of limited partner interests determines the Carried Interest percentage for such limited partner in the KLRES Fund. Carried Interest in the KLRES Fund is calculated on the basis of unrealized gains and losses.

The Funds have multiple categories of interests or tranches, including a tranche for initial limited partners, which may bear lower fees than those described above. Kennedy Lewis also reserves the right to vary the fees as to particular limited partners by separate agreement and to reduce or waive any fees at any time.

Kennedy Lewis waives or reduces the management fees and Carried Interest for its own capital and that of its constituent partners, affiliates, and employees, and family members of the foregoing.

Expenses.

In addition to paying management fees and Carried Interest or Incentive Allocation, the limited partners of the Funds will also indirectly bear certain expenses charged to the Funds. The Funds were subject to certain costs in connection with their organization, as more particularly described in the Governing Documents.

The Funds generally bear their own operating costs. Such fees and expenses will vary but generally include fees, costs, and expenses incurred in connection with the following: (i) the developing, sourcing, investigation, negotiation, structuring, evaluation, acquisition, or disposition of investments and prospective investments, whether or not consummated, including without limitation private placement fees, sales commissions, appraisal fees, taxes, travel expenses, litigation expenses, brokerage fees, underwriting commissions and discounts, fees and expenses related to loan servicers (whether affiliated or not) and other related services, any filing or similar fees, and legal, accounting, investment banking, financial, consulting, information services, professional fees, and expenses related to research products and services (including without limitation, expert consultants and third party consultants/advisors); (ii) the retention of placement agents; (iii) the termination, cancelation, or abandonment of a potential investment that is not consummated (including expenses from any legal, financial, accounting, consulting, or other advisors or any lenders, investment banks, or other financial sources); (iv) the carrying of investments, including without limitation custodial, trustee, record keeping, and other administrative fees; (v) the retention of independent appraisers or other valuation experts; (vi) the maintenance of the books and records of the Funds, their reports, tax returns, Schedules K-1 (or similar schedules) and non-U.S. tax forms, and any communications with the limited partners; (vii) the retention of attorneys and accountants and other service providers relating to Fund matters; (viii) any and all taxes (including interest and penalties) and other governmental charges that may be incurred or payable by the Funds without regard to the status of any limited partner; (ix) any and all insurance policies purchased by the Funds in connection with their activities, including errors, omissions, fidelity, crime, general partner liability, directors' and officers' liability, and similar coverage for any person acting on behalf of the Funds; (x) compliance with any law or regulation related to the activities of the Funds; (xi) regulatory filings and reporting requirements, including, without limitation, any preparation and filings related to AIFMD and other regulatory filings which seek information about the Funds, Form PF and filings related to, among others, Section 13 and Section 16, Hart Scott Rodino and other antitrust-related matters, and CFIUS to the extent they are in connection with, relate to or derive from a Fund or its investment activities, and expenses associated with certain reporting to existing and prospective investors; (xii) the dissolution, winding up or termination of the Funds; (xiii) the formation and operation of alternative investment vehicles; (xiv) any amendments, modifications, revisions, or restatements to the constituent documents of the Funds or related entities; (xv) any valuation of the assets of the Funds; (xvi) distributions to the partners or any meeting of the partners (including reasonable transportation, lodging, meals and other expenses of the general partner or Kennedy Lewis in connection therewith); (xvii) any meetings of the applicable Fund's limited partner advisory committee, including all reasonable out-of-pocket expenses incurred by members of such committee; (xviii) the Fund's indemnification obligations; (xix) the management fees payable to Kennedy Lewis; (xx) administrative proceedings relating to the determination of Fund items at the Fund level undertaken in connection with certain tax matters, including tax audits; and (xxi) solely in respect of the KLRES Fund, fees and expenses incurred in connection with satisfying any REIT Shareholder Requirement (as defined in the Governing Documents of the KLRES Fund).

From time to time, Kennedy Lewis has and will engage individuals as third-party advisors, "consultants," "contractors," "advisers" and other consultants (collectively, "Advisors") who are not employees of Kennedy Lewis, but are paid fees for services provided to one or more clients managed by Kennedy Lewis, including services related to Kennedy Lewis' investment process. Additionally, certain research providers

and consultants (“Research Providers”) are engaged with respect to the clients. The terms of these engagements, including compensation arrangements for Advisors and Research Providers, are generally agreed upon between the Advisor or Research Provider (or one of their respective affiliates) and Kennedy Lewis at the time of engagement and will vary depending upon the nature of the services provided. These fees and expenses (including travel and lodging expenses) are generally allocated to the client(s) that benefit from the services and are not borne by Kennedy Lewis even if the services of such Advisor or Research Provider are not utilized during the entire term of the engagement.

Kennedy Lewis offers investment support services to the portfolio investments certain of the Funds, including members of Kennedy Lewis’ Operational Resource Center (the “ORC”). The terms of engagement, including the compensation arrangements for members of the ORC are generally agreed between the ORC member and Kennedy Lewis (or one of its affiliates or portfolio investments) at the time of engagement and vary depending on the nature of the services provided. In addition to retainers, periodic fees and the reimbursement expenses, members may receive compensation arrangements from portfolio investments composed of a discretionary performance-related bonus, grants of equity and/or co-investment opportunities in the portfolio investments in which such member serves directly as a consultant or adviser and may receive directors’ fees, consulting fees and other compensation from portfolio investments. These fees and expenses are not paid by Kennedy Lewis out of management fees and do not reduce or be offset against the management fee or any other compensation paid to Kennedy Lewis. A member of the Operational Resource Center (an “ORC Member”) shall not be paid a retainer during any period when such member is also receiving a cash salary from a portfolio investment. Furthermore, the Fund shall only pay its pro rata amount of a retainer to an ORC Member relative to any successor or predecessor pooled investment vehicles advised by Kennedy Lewis that benefit from the services of such member. On an annual basis, the Funds’ expenses attributable to the fees of the ORC Members are capped in accordance with the Governing Documents of the applicable Funds. For the avoidance of doubt, ORC Members shall only be compensated in cash by the Fund (i.e., they shall not receive any equity, options or any other portion of any of the Funds’ ownership interests in a portfolio investment).

The Funds will bear any extraordinary expenses they may incur, including any litigation, arbitration or settlement expenses involving any such Fund, any investment or entities in which it has an investment or otherwise relating to such investment, and the amount of any judgments or settlements paid in connection therewith.

The Funds will also pay or reimburse Kennedy Lewis, the respective Fund general partner, and their affiliates for all expenses incurred in pursuit of an investment that upon initial review appeared to meet a Fund’s investment guidelines and that the Fund undertook efforts in furtherance of investing in, but which did not become an investment of the Fund (“Unconsummated Transaction Expenses”). Examples of such Unconsummated Transaction Expenses include, but are not limited to, due diligence expenses, commitment fees that become payable in connection with a proposed investment that is not ultimately made; legal, tax, accounting, financing, advisory, and consulting fees and expenses; travel, accommodation and related expenses; transaction fees; brokerage commissions; litigation expenses; printing expenses; any liquidated damages; reverse termination fees and similar payments.

The Credit Opportunity Funds invest in the equity and debt tranches of one or more collateralized loan obligations (“CLOs”) to which an affiliate of Kennedy Lewis, Generate Advisors, LLC (“Generate”), or its affiliate, serves as a collateral manager or adviser (the “Generate CLOs”). The Credit Opportunity Funds will be obligated to bear their respective proportionate share of Generate CLO-level administrative expenses, but will not pay management fees or performance compensation with respect to the investments in the Generate CLOs. However, Generate will be paid management fees with respect to the tranches of the CLO not purchased by the Credit Opportunity Funds, and the issuance of the CLO may be dependent upon the Credit Opportunity Funds purchasing the debt or equity tranche of the respective CLO. The Credit

Opportunity Funds may also invest in the equity tranches of CLOs managed by third party collateral managers, and will be subject to their proportionate share of CLO-level administrative expenses as well as management and performance compensation in these CLO investments.

The Core Lending Funds make investments in the BDC. As a result, the Core Lending Funds will be obligated to bear their respective proportionate share of the BDC expenses, including management fees and incentive fees at the BDC level; provided, however, that the management fee and performance compensation will not be paid at the Core Lending Fund level with respect to the amounts invested in the BDC.

The KLRES Fund invests in homebuilder finance opportunities in the United States, continuing the investment strategy employed by the Credit Opportunity Funds (which have a broader overall mandate), through a subsidiary that qualifies as a real estate investment trust within the meaning of Section 856(a) of the U.S. Internal Revenue Code of 1986 (the "Code").

The allocation of expenses by Kennedy Lewis between it, the Funds, Affiliated Advisers and Affiliated Adviser Clients (both as defined below), and accounts managed by affiliates of Kennedy Lewis and among the Funds and Affiliated Adviser Clients represents a conflict of interest for Kennedy Lewis. To address this conflict, Kennedy Lewis has adopted and implemented policies and procedures for the allocation of expenses. If a particular expense relates to one or more Funds or other accounts (including Unconsummated Transaction Expenses), Kennedy Lewis will allocate the expense between it, the Funds, Affiliated Advisers and Affiliated Adviser Clients, and accounts managed by affiliates of Kennedy Lewis and among the Funds and any other client accounts in a manner it considers equitable to all accounts and in accordance with its policy. Under this policy, expenses are allocated between and among Funds and other accounts pro rata based on Net Asset Value, Commitments or Actively Invested Capital, as applicable. In addition, certain expenses specific to an investment opportunity may be allocated based on the allocation of the investment opportunity rather than pro rata. Similarly, if an expense is allocable to both Kennedy Lewis and one or more Funds or other accounts, Kennedy Lewis will allocate in a manner it considers equitable to all accounts and in accordance with its policy.

The Funds may pay their costs directly, or Kennedy Lewis may advance costs and be reimbursed by the Funds. Kennedy Lewis may bear any of those costs out of its own assets or revenues, but its decision to do so as to some costs or for some periods will not obligate it to do so as to any other costs or to continue doing so for any other periods.

Kennedy Lewis does not currently advise any managed accounts. Should it do so in the future, the fee terms applicable to such advisory relationships will be negotiated on an individual basis and will be outlined in their respective investment management agreements.



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

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As disclosed above, in addition to the management fee, Kennedy Lewis or its affiliates are also entitled to receive Carried Interest distributions or the Incentive Allocation from the Funds. The fact that Kennedy Lewis will be compensated, in certain circumstances, based on realized profits may create an incentive for Kennedy Lewis to delay the realization of certain investments or to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of performance compensation arrangements such as Carried Interest and Incentive Allocation. In addition, certain Kennedy Lewis personnel are compensated on a basis that includes a performance-based component.

Kennedy Lewis manages multiple Funds and the Affiliated Advisers manage Affiliated Adviser Clients, which creates a conflict of interest because Kennedy Lewis and the Affiliated Advisers may have incentive to allocate potentially more favorable investment opportunities to one Fund or account over another, including without limitation an incentive to favor one Fund or account over another based upon a potentially greater management fee, Carried Interest or Incentive Allocation. To address that risk, Kennedy Lewis has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple accounts. These procedures, which are described in more detail in Item 16 below, require that Kennedy Lewis allocate investment opportunities in a fair and equitable manner over time.

**Item 7.       Types of Clients**

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As previously described, Kennedy Lewis provides investment advice to the Funds, which are pooled investment vehicles, including “funds of one”. Underlying investors in the Funds may include, but are not limited to, institutional investors such as trusts, endowments, foundations, corporates, sovereign wealth funds, pension and profit-sharing plans, as well as high net worth investors.

The Firm may also choose to advise separately managed accounts, but is not managing any at this time.

The Funds impose minimum investment limits upon investors that can be waived in certain circumstances, as set forth in the Governing Documents.

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

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**METHODS OF ANALYSIS**

The Credit Opportunity Funds pursue a flexible all-weather investment strategy targeting attractive risk-adjusted returns. The strategy returns are primarily achieved through event-driven and opportunistic financings across public and private markets, and chiefly focuses on performing and stressed investment opportunities in the U.S. and Europe. The Credit Opportunity Funds' strategy regularly focuses on middle-market companies facing disruption, whether it be cyclical, secular or regulatory related. Kennedy Lewis also partners with high growth companies that are themselves causing disruption, providing structured capital solutions to fit their needs. The strategy favors private market credits whose outcomes are based on distinctive catalyst-oriented factors rather than on market technicals or associated price movements (i.e., "idiosyncratic").

Kennedy Lewis seeks to source and gain access to proprietary deal flow through its scalable "verticals" which allow the Firm to repeatedly exploit identified themes in sectors that are contending with or causing some form of industry disruption. These verticals, which are intended to be uncorrelated, are generally insulated from broad market volatility and benefit from both counter-cyclical forces and the oversight of Kennedy Lewis' experienced sector heads.

The asset selection process utilized by Kennedy Lewis emanates from a thorough sector analysis. The Firm's strategy is to first identify sectors that are facing transition or disruption and then drill down to understand the forces causing the disruption – regulatory, cyclical, secular related or sparked by innovation. Kennedy Lewis then evaluates which companies within the affected sector may have an acute need for a capital solution. Lastly, Kennedy Lewis considers the securities and relevant structured capital solution that may best capture the upside through expert analysis and execution. These forces of disruption are not mutually exclusive; often multiple catalysts for disruption are associated with client investments.

Once Kennedy Lewis identifies a sector in transition, it assesses the cause of that disruption and evaluates the expected duration of those industrial and/or economic forces at the heart of the disturbance. This helps to inform if and to what extent the Firm wants to be invested in the space. It also helps to calibrate what type of risk Kennedy Lewis may be willing to tolerate. Once Kennedy Lewis has thoroughly evaluated the sector, it will seek to identify the contemporary opportunity set that exists within the investable universe of the affected sector. The investment team will then distill its analysis down to finding the best way to exploit its sector view, which includes identifying specific companies and specific security types.

The Credit Opportunity Fund portfolios may consist of, but are not necessarily limited to, leveraged loans, high yield bonds, notes, equity and equity-linked securities, mortgages, liquidation claims, advances, credit derivatives and real assets. Investments may also include other assets or businesses that present an appropriate event-driven or value opportunity. From time to time, the Credit Opportunity Fund portfolios may invest in highly structured investments that are used to fund corporate growth or recapitalize a company. Investments are likely to be in public and private securities or loans of non-investment grade and potentially non-rated issuers.

This Item 8 applies to the Credit Opportunity Funds and the KLRES Fund. The Core Lending Funds have a substantially similar strategy to the BDC, which is provided in Item 8 of the Form ADV Part 2A for Kennedy Lewis Capital Holdings LLC.

The KLRES Fund portfolio may consist of, but is not necessarily limited to, homebuilder finance investments in the United States, securities issued by the United States Government, cash-flowing real properties located in the United States, mortgage loans and securities backed by commercial or residential

real properties, derivative instruments, ISDA agreements and other instruments for hedging or similar purposes.

The credit strategy involves substantial risks that should be considered carefully. Certain risk factors that may be considered applicable to the strategy are outlined below. Additional risk factors are outlined in the Governing Documents for the Funds. It should be noted, however, that there may be other risk factors applicable that are not identified but that might still result in material losses. Although Kennedy Lewis may attempt to manage these risks through careful research, ongoing monitoring of investments, and appropriate hedging techniques, there can be no assurance that the securities and other instruments purchased which are the focus of its strategies will increase in value or that the Funds will not incur significant losses.

### **MATERIAL RISKS (INCLUDING SIGNIFICANT OR UNUSUAL RISKS) RELATING TO INVESTMENT STRATEGIES**

**Investment Strategy.** The evaluation models and trading techniques used by Kennedy Lewis in implementing the credit strategy may not be successful and may thereby cause the Funds to incur losses on the positions that the Firm initiates. There can be no assurance that transactions will be successful, since their success depends, in part, upon the ability of Kennedy Lewis to predict future changes in market conditions, interest rates and prices of specific securities or assets. In addition, Kennedy Lewis will have broad authority to expand, contract or otherwise change the Funds' activities. Over time, the strategies implemented for the Funds could be expected to expand, evolve, and change, perhaps materially. While Kennedy Lewis expects to continue to focus on opportunistic credit, Kennedy Lewis will not be required to implement any particular strategy, whether or not that strategy is specifically described in the Funds' Governing Documents. A change in investment strategy could expose the capital of the Funds to additional risks.

**Importance of Kennedy Lewis; Reliance Key Personnel.** The authority to make decisions and exercise business discretion on behalf of the Funds is delegated to Kennedy Lewis. The success of the Funds is therefore expected to significantly depend on the expertise of David Chene, Darren Richman and other key personnel. The death, disability departure or other unavailability of Messrs. Chene or Richman, or any other key personnel could have a material and adverse effect on the Funds and Kennedy Lewis.

**Concentration of Investments.** The Funds will not be as diversified as many other investment funds. While Kennedy Lewis seeks to limit investments that could create excessive concentration in a particular company or industry, the investment management agreements for the Funds do not so require, and the Funds may at times have a relatively large portion of their respective capital exposed to a relatively small number of positions and/or a particular industry. Furthermore, appreciation of a position (or other positions' depreciation) could cause them to comprise an outsized portion of the Funds' portfolio, in which case the Funds may not divest such positions. Losses in one or more large positions, or a downturn in an industry in which the Funds are concentrated, could materially adversely affect the Funds' performance, and could have a materially adverse effect on the Funds' overall financial condition.

**Inside Information; Substantial Positions.** Kennedy Lewis personnel may receive material nonpublic information about or relating to issuers of securities in which the Funds invest or propose to invest. Under various securities laws (or Kennedy Lewis' internal policies), this could restrict Kennedy Lewis' ability to cause the Funds to buy or sell securities of a company for substantial periods when doing so could generate a profit or avoid a loss. If a Fund were to acquire more than certain percentages of the outstanding securities of some companies (determined, under certain circumstances, in combination with amounts held by other Funds or other clients), Kennedy Lewis and/or the Funds could become subject to public reporting requirements and, in some cases, legal and regulatory limits on disposition of those securities. Limits of

those kinds could prevent the Funds from disposing of those securities when it otherwise would or at favorable prices.

Limited Liquidity of Investments. The markets for many securities and other investments in which a Fund is invested may be thinly traded from time to time. This lack of liquidity and market depth could disadvantage a Fund, both in the realization of the prices which are quoted and in the execution of orders at desired prices or in desired quantities. Also, domestic and international securities exchanges and the SEC and other regulatory authorities have authority to suspend trading in a particular security without notice.

The lack of an established, liquid secondary market for certain investments made by a Fund may have an adverse effect on the market value of a Fund's investments and on a Fund's ability to dispose of them. Additionally, a Fund's investments may be subject to certain transfer restrictions that would also contribute to illiquidity. Finally, Fund assets that are typically traded in a liquid market may become illiquid if the applicable trading market tightens as a result of a significant macro-economic shock or for any other reason. Therefore, no assurance can be given that, if a Fund is determined to dispose of a particular investment held by the Fund, it could dispose of such investment at the prevailing market price or the current valuation.

Loan Interests Risk. Loan interests generally are subject to restrictions on transfer, and the Funds may be unable to sell loan interests at a time when it may otherwise be desirable to do so or may be able to sell them only at prices that are less than what Kennedy Lewis regards as their fair market value. Accordingly, loan interests may at times be illiquid. Loan interests may be difficult to value and may have extended settlement periods, which expose the Funds to the risk that the receipt of principal and interest payments may be delayed until the loan interest settles.

Interests in secured loans have the benefit of collateral and, typically, of restrictive covenants limiting the ability of the borrower to further encumber its assets. There is a risk that the value of any collateral securing a loan in which the Funds have an interest may decline and that the collateral may not be sufficient to cover the amount owed on the loan. In most loan agreements there is no formal requirement to pledge additional collateral. In the event the borrower defaults, the Fund's access to the collateral may be limited or delayed by bankruptcy or other insolvency laws. Further, in the event of a default, second lien secured loans will generally be paid only if the value of the collateral exceeds the amount of the borrower's obligations to the first lien secured lenders, and the remaining collateral may not be sufficient to cover the full amount owed on the loan in which the Funds have an interest. In addition, if a secured loan is foreclosed, the Funds would likely bear the costs and liabilities associated with owning and disposing of the collateral. The collateral may be difficult to sell and the Funds would bear the risk that the collateral may decline in value while the Funds are holding it.

The Funds may acquire a loan interest by obtaining an assignment of all or a portion of the interests in a particular loan that are held by an original lender or a prior assignee. As an assignee, a Fund normally will succeed to all rights and obligations of its assignor with respect to the portion of the loan that is being assigned. However, the rights and obligations acquired by the purchaser of a loan assignment may differ from, and be more limited than, those held by the original lenders or the assignor.

Alternatively, the Funds may acquire a participation interest in a loan that is held by another party. When a Fund's loan interest is a participation, the Fund may have less control over the exercise of remedies than the party selling the participation interest, and it normally would not have any direct rights against the borrower. As a participant, the Fund also would be subject to the risk that the party selling the participation interest would not remit the Fund's *pro rata* share of loan payments. It may be difficult for the Funds to obtain an accurate picture of a lending bank's financial condition.

Loan interests may not be considered “securities” and purchasers such as the Funds, therefore, may not be entitled to rely on the anti-fraud protections of U.S. federal securities laws.

Assumption of Catastrophe Risks; Effects of Public Health Emergencies. The Funds may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which the Funds invest (or has a material negative impact on the operations of Kennedy Lewis or service providers), the risks of loss can be substantial and could have a material adverse effect on the Funds and their respective investments.

Although it is impossible to predict the precise nature and consequences of these events, or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact the Fund, borrowers and Fund investments, it is clear that these types of events are impacting and will, for at least some time, continue to impact the Funds, borrowers and the Funds’ investment. The recent pandemic and any future outbreaks could have an adverse impact on the markets and the economy in general, which could have a material adverse impact on, among other things, the ability of lenders to originate loans, the volume and type of loans originated, and the volume and type of amendments and waivers granted to borrowers and remedial actions taken in the event of a borrower default, each of which could negatively impact the amount and quality of loans available for investment by the Funds and returns to the Funds, among other things.

In addition, disruptions in the capital markets caused by the recent pandemic have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. These and future market disruptions and/or illiquidity would be expected to have an adverse effect on the Funds’ business, financial condition, results of operations and cash flows. Unfavorable economic conditions also would be expected to increase the Funds’ funding costs, limit the Funds’ access to the capital markets or result in a decision by lenders not to extend credit to the Funds. These events have limited and could continue to limit investment originations and have a material negative impact on the Fund and borrowers’ operating results and the fair values of the Funds’ debt and equity investments.

Risks Related to Structured Finance Securities. The investment portfolios of the Funds may include investments in structured finance securities. Structured finance securities are generally debt securities that entitle the holders thereof to receive payments of interest and principal that depend primarily on the cash flow from or sale proceeds of a specified pool of assets, either fixed or revolving, that by their terms convert into cash within a finite time period, together with rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities.

Investing in structured finance securities entails various risks, including credit risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks, geographical concentration risks, basis risks and legal risks.

Structured finance securities are also subject to the risks of the assets securitized. In particular, they are subject to risks related to the quality of the control systems and procedures used by the parties originating and servicing the securitized assets. Deficiencies in these systems may negatively affect the value of the securities, including by resulting in higher-than-expected borrower delinquencies or the inability to effectively pursue remedies against borrowers due to defective documentation.

Credit Risk. Credit risk is the risk that issuers may fail, or become less able, to pay interest and/or principal when due. Changes in the actual or perceived creditworthiness of an issuer, factors affecting an issuer directly (such as management changes, labor relations, collapse of key suppliers or customers, or material changes in overhead), factors affecting the industry in which a particular issuer operates (such as competition or technological advances) and changes in general social, economic or political conditions can increase the risk of default by an issuer, which may affect a security's credit quality or value. Entities providing credit or liquidity support also may be affected by these types of changes.

Loans to Private Companies. The Funds may invest in loans to private and middle market companies. Loans to such companies involve a number of particular risks that may not exist in the case of large public companies, including: (i) these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors such as the Funds dependent on any guarantees or collateral they may have obtained; (ii) these companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns; (iii) there may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality; and (iv) these companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations.

Subordination. A portion of the Funds' investments will consist of investments that are subordinate in right of payment and rank junior to other instruments that are secured by or represent an ownership interest in the same pool of assets, and thus, would be subordinated to the prior payment in full of such debt. As a result, such investments have a higher risk of loss. Specifically, the Funds may make investments in subordinated ABS which could subject the Funds to increased risk of losses. In general, losses on an asset securing a loan included in a securitization will be borne first by the equity holder of the asset, then by a cash reserve fund or letter of credit provided by the borrower, if any, and then by the "first loss" subordinated security holder. In the event of default and the exhaustion of any equity support, reserve fund, letter of credit and any classes of securities junior to those in which a Fund invests, the Fund may not be able to recover all of the investment in the securities it purchases. In addition, if the underlying portfolio of assets has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral is available to satisfy interest and principal payments due on the related ABS, the securities in which the Fund invests may effectively become the "first loss" position behind the more senior securities, which may result in significant losses to the Fund.

Investments in Undervalued Assets. The Funds may invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

Unlisted Equity Securities Risk. The Funds may invest in equity securities that are traded in the over-the-counter ("OTC") markets. While OTC markets have grown rapidly, many OTC securities trade less frequently and in smaller volumes than exchange-listed securities. The values of these securities may fluctuate more sharply than exchange-listed securities and the Funds may experience some difficulty in acquiring or disposing of positions in these securities at prevailing market prices. Issuers of securities that are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly-traded securities.

Due Diligence Risks. Before making an investment, Kennedy Lewis will assess the strengths and weaknesses of the originators, borrowers, assets, and the underlying investment values, as well as other factors and characteristics that are material to the performance of the potential investment. In making the assessment and otherwise conducting customary due diligence, Kennedy Lewis will rely on resources available to it and, in some cases, an investigation by third parties. There can be no assurance that the due diligence process undertaken by Kennedy Lewis will uncover all relevant facts or that any investment will be successful.

Competition for Investment Opportunities. The Funds operate in a highly competitive market for investment opportunities. The Funds compete for investments with various other investors — such as other public and private funds, commercial and investment banks and commercial finance companies. Many competitors are substantially larger and have considerably more financial and other resources. Other funds may have investment objectives that overlap with the Funds, which may create competition for investment opportunities with limited supply. There may be a higher number of opportunistic competitors entering the market for private credit given the current financial environment. Some competitors may have a lower cost of funds and access to funding sources that are not available to the Funds, and may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships. The competitive pressures could impair the Funds' business, financial condition and results of operations. Also, as a result of this competition, the Funds may not be able to take advantage of attractive investment opportunities from time to time.

Uncertain Exit Strategies. Due to the illiquid nature of some of the Funds' positions, there can be no assurance that an exit strategy for any given position anticipated by Kennedy Lewis at the time the investment is initiated will necessarily be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by economic, legal, political or other factors by the time the investment is ready to be realized.

Access to CLO Origination Market. The disposition value of the Funds' investments may be dependent in part on the Funds' ability to access the market for CLOs. To the extent such markets are experiencing volatility or otherwise not functioning normally, the market for buyers of the Funds' investments may be limited. The CLO market, while developing, is not as deep as other credit markets, and many investors approach CLOs as buy-and-hold investments. Therefore, the liquidity of CLO tranches remains relatively limited and the number of market participants remains relatively small.

Interest Rate Risk. In general, the value of the Funds' investments with interest rate risk, such as debt securities, will move in the direction opposite to movements in interest rates. If interest rates rise, the value of such securities may decline. Debt securities have varying levels of sensitivity to changes in interest rates. Typically, the longer the maturity (i.e., the term of a debt security) or duration (i.e., a measure of the sensitivity of a debt security to changes in market interest rates, based on the entire cash flow associated with the security) of a debt security, the greater the effect a change in interest rates could have on the security's price. Thus, the Funds' sensitivity to interest rate risk will increase with any increase in the Funds' overall duration. Short-term securities tend to react to changes in short-term interest rates, and long-term securities tend to react to changes in long-term interest rates. The link between interest rates and debt security prices tends to be weaker with lower-rated debt securities than with investment grade debt securities. Floating rate securities (including loans) can be less sensitive to interest rate changes. Variable interest rates may reset only periodically and may not rise or decline as much as interest rates in general. In addition, to the extent that the Funds hold borrowed securities and leveraged investments, an increase in interest rates will increase the Funds' borrowing costs.

Investing in High Yield Debt. The Funds may invest in fixed-income securities and other debt obligations which are rated below investment grade or are unrated. These high-yield instruments are regarded as being



predominantly speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high-yield debt may be highly leveraged or have enterprise risk that renders unavailable to them more traditional methods of financing. Therefore, the risks associated with acquiring the securities of such issuers generally are greater than is the case with issuers of higher quality. The risk of loss due to default by an issuer is significantly greater for the holders of high-yield bonds because such securities may be unsecured and may be subordinated to other creditors of the issuer. There can be no assurance that such events will not occur after the Funds purchase a particular security, in which case the Funds may experience losses and incur costs.

Prepayment and Extension Risk. The Funds' performance could be affected if borrowers pay back principal on certain debt securities, such as mortgage- or asset-backed securities, before or after the market anticipates such payments, shortening or lengthening their duration. Due to a decline in interest rates or an excess in cash flow, a debt security might be called or otherwise converted, prepaid or redeemed before maturity. As a result, the Funds may have to reinvest the proceeds in an investment offering a lower yield, may not benefit from any increase in value that might otherwise result from declining interest rates and may lose any premium it paid to acquire the security. Higher interest rates generally result in slower payoffs, which effectively increase duration, heighten interest rate risk, and increase the potential for price declines. The prices of variable and floating rate securities (including loans) can be less sensitive to prepayment risk.

Lender Liability Considerations and Equitable Subordination. In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lenders on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Funds' investments, the Funds could be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination". Because of the nature of certain of the investments, the Funds could be subject to claims from creditors of an obligor that the Funds' investments issued by such obligor that are held by the Funds should be equitably subordinated. Some of the Funds' investments may involve investments in which the Funds would not be the lead creditor. It is, accordingly, possible that lender liability or equitable subordination claims affecting the Funds' investments could arise without the direct involvement of the Funds.

Limitations on Remedies. Although the Funds will have certain contractual remedies upon the default by borrowers in relation to certain investments, such as foreclosing on the underlying collateral, certain legal requirements may limit the ability of the Funds to effectively exercise such remedies. Furthermore, the laws with respect to the rights of creditors and other investors in certain jurisdictions in which the Funds may invest may not be comprehensive or well developed, and the procedures for the judicial or other enforcement of such rights may be of limited effectiveness. In particular, in certain state or local jurisdictions, the Funds could experience significant legal difficulties and impediments in taking possession of, or otherwise in enforcing its rights with respect to, certain kinds of collateral. These factors may adversely affect the value and collectability of the investments in such jurisdictions.

Hedging Transactions. The Funds may use various derivative instruments which may be volatile and speculative, and which may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. For example, the Funds may enter into credit default swaps and may either buy protection or sell protection from losses caused by the occurrence of a negotiated default event with respect to an obligation of a corporate or sovereign borrower or obligor. The Funds may enter into interest rate or currency swaps on either an asset- or liability-based basis, depending on whether it is hedging its assets or its liabilities. The parties with which the Funds enter into such derivatives are expected to be banks, broker dealers and other financial institutions.

The Funds may pursue various hedging strategies to reduce its exposure to adverse changes in interest rates. The Funds' hedging activity will vary in scope based on the level and volatility of interest rates, the type of assets held and other changing market conditions. Interest rate hedging may fail to protect or could adversely affect the Funds because, among other things: (i) interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates; (ii) available interest rate hedges may not correspond directly with the interest rate risk for which protection is sought; (iii) due to a credit loss, the duration of the hedge may not match the duration of the related liability; (iv) the credit quality of the hedging counterparty owing money on the hedge may be downgraded to such an extent that it impairs the Fund's ability to sell or assign its side of the hedging transaction; and (v) the hedging counterparty owing money in the hedging transaction may default on its obligation to pay.

The Funds' hedging transactions, which are intended to limit losses, may actually adversely affect its earnings, which could reduce the cash available for distribution to the Partners. There is no assurance that hedging transactions will be successful in limiting losses.

Leverage of Borrower Companies. Because Fund investments may include securities of companies or special purpose vehicles with leveraged capital structures, such investments will be subject to increased exposure to adverse economic factors such as an increase in interest rates, a downturn in the economy or further deterioration in the economic conditions of such entities or their industry. Similarly, the Funds may invest in entities or assets that are unable to generate sufficient cash flow to meet principal and interest payments on their indebtedness. Accordingly, the value of a Funds' investment in such an entity or asset could be significantly reduced or even eliminated due to further credit deterioration.

Financial Leverage. Kennedy Lewis may use financial leverage for any purpose in managing the Funds, including increasing investment capacity, covering operating expenses and making distribution payments or for clearance of transactions, subject to the limitations set forth in the Governing Documents. The leveraged capital structure of the investments made by the Funds will increase the exposure to adverse economic conditions such as rising interest rates, a downturn in the economy or deterioration in the conditions of the Funds' investments. Borrowing money to purchase a financial instrument may provide the Funds' portfolio with the opportunity for greater capital appreciation but at the same time will increase the portfolio's risk of loss with respect to that instrument. Although the use of leverage increases returns to a Fund if it earns a greater return on the incremental investments purchased with the borrowed funds than it pays for such funds, the use of leverage decreases returns to a Fund if it fails to earn as much on such incremental investments as it pays for such funds. In addition, unanticipated increases in applicable margin requirements could adversely affect the liquidity of the Fund and therefore also adversely affect its performance.

Financially Troubled Issuers. The Funds may invest in investments issued by companies in weak and/or deteriorating financial condition, experiencing poor operating results, needing substantial capital investment, or involved in bankruptcy reorganization proceedings. Investments of this type may involve substantial financial and business risks, which may be increased by an inability to obtain reliable information about the issuers. Such investments can result in significant or even total loss of the capital

invested in the issuer and may be illiquid. Among the risks inherent in investments in financially troubled issuers is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and a tribunal's power to disallow, reduce, subordinate, or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (e.g., until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect to which such distribution was made.

Nature of Reorganization Proceedings. Investments in the debt or equity of companies or assets involved in reorganization proceedings typically entail a number of risks that do not normally apply to investments in financially sound companies. For example, if the evaluation undertaken by Kennedy Lewis of the anticipated outcome of a reorganization or the timing of such outcome should prove incorrect, the Funds could experience losses. Furthermore, if the financial difficulties of such companies are not overcome, such companies may default on their financial obligations and may become subject to bankruptcy proceedings. Such investments by the Funds could, in certain circumstances, subject the Funds to certain additional potential liabilities that may exceed the value of the Funds' original investment therein. A wide variety of considerations make any evaluation of the outcome of an investment in such a company uncertain. Such considerations include, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the access of Kennedy Lewis to reliable and timely information concerning material developments affecting a company, or which cause lengthy delays in the completion of a reorganization or liquidation proceeding. Competition from other investors may also render it difficult or impossible for the Funds to achieve intended results or promptly effect transactions.

Some of the investments of the Funds may require active monitoring and representation on official and unofficial creditors' committees for the company. Accordingly, the Funds may, but are not obligated to, seek representation on such committees from time to time if Kennedy Lewis determines that such representation is necessary or advisable to protect or further the Funds' interests. Serving on an official or unofficial committee increases the possibility that a Fund will be deemed an "insider" or a "fiduciary" of the company it has so assisted and may restrict the Fund's trading of its investments in such company. Should such assistance be provided before a company enters bankruptcy proceedings, the Bankruptcy Court, under certain conditions such as a finding of fraud or inequitable conduct, may invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by the Fund in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. Claims of equitable subordination may also arise outside of the context of the Fund's managerial activities.

Political and Economic Conditions. The Funds' investments may be adversely affected by changes in economic conditions or political events that are beyond their control. For example, a stock market downturn, the outbreak of hostilities towards the United States, or the death of a major political figure may have significant adverse effects on the Funds' investment results. Other factors, such as changes in U.S. federal or state tax laws, U.S. federal or state securities laws, bank regulatory policies or accounting standards, may make corporate acquisitions less desirable. Similarly, legislative acts, the New York Stock

Exchange, the Financial Industry Regulatory Authority or other governmental or quasi-governmental bodies, agencies and regulatory organizations may make the business of the Funds less attractive.

Projections. The Funds may make investments relying upon projections developed by Kennedy Lewis or a portfolio company concerning such company's or an asset's future performance and cash flow. Projections are inherently uncertain and subject to factors beyond the control of Kennedy Lewis and the portfolio company or asset in question. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of unforeseen events could impair the ability of a portfolio company or asset to realize projected values and/or cash flow.

Investments in Different Parts of the Capital Structure. The holders of classes of securities that differ from the class of securities owned by the Funds may control the exercise of remedies in connection with such securities. Such exercise of remedies by a holder of a different class of securities may be in conflict with the interests of the Funds. Kennedy Lewis or its affiliates may own classes of securities which are more senior or more subordinate than certain of the securities owned by the Funds which may result in certain conflicts of interest.

Uncertain Value of Investments. The Funds value portfolio holdings at their fair value in accordance Kennedy Lewis' valuation policy. The fair value of securities that are not publicly traded may not be readily determinable. As a result, there will be uncertainty as to the value of these investments. Because these valuations are subjective, the fair value of the Funds' assets may fluctuate over short periods of time and the determinations of fair value may differ materially from the values that would have been used if a ready market for the securities existed.

Investing in Non-U.S. Securities and Assets. The Funds may invest in securities, assets, loans and other instruments of non-U.S. corporations and non-U.S. countries. Investing in the securities of companies (and, from time to time, governments) in non-U.S. countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including, among other things, political and economic considerations, such as greater risks of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, nationalization and general social, political and economic instability. The small size of the securities and financial markets in such countries and the low volume of trading resulting in potential lack of liquidity and in price volatility, fluctuations in the rate of exchange between currencies and costs associated with currency conversion and certain government policies may restrict the Funds' investment opportunities. In addition, accounting and financial reporting standards that prevail in non-U.S. countries generally are not equivalent to U.S. standards and, consequently, less information is available to investors in companies located in non-U.S. countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities and financial markets in non-U.S. countries, than there is in the United States.

Counterparty, Custodian and Credit Risk. To the extent that contracts for investment will be entered into between a Fund and a market counterparty as principal (and not as agent), the Funds will be exposed to the risk that the market counterparty may, in an insolvency or similar event, be unable to meet its contractual obligations to the Funds. The Funds may have a limited number of potential counterparties for certain of its investments, which may significantly impair a Fund's ability to reduce its exposure to counterparty risk. In addition, difficulty reaching an agreement with any single counterparty could limit or eliminate the Funds' ability to execute such investments altogether. Because certain purchases, sales, hedging, financing arrangements (including the lending of portfolio securities) and derivative instruments in which the Funds will engage are not traded on an exchange but are instead traded between counterparties based on contractual relationships, the Funds will be subject to the risk that a counterparty will not perform its

obligations under the related contracts. There can be no assurance that a counterparty will not default and that the Fund will not sustain a loss on a transaction as a result.

The Funds and companies in which the Funds invest may also maintain deposits or other assets at U.S. or non-U.S. banks which may exceed the level at which deposits are guaranteed. There can be no assurance that a custodial bank will not experience difficulties or fail or that the Funds and their portfolio companies will not experience delays or an inability to access deposits or other assets.

Cybersecurity Risks. Kennedy Lewis' business is highly dependent on its communications and information systems. Any failure, interruption or unauthorized access to these systems could cause delays or other problems in Kennedy Lewis' securities trading activities, which could have a material adverse effect on the Funds. System breaches in particular are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could result in disruptions of Kennedy Lewis' communications and information systems, unauthorized release of confidential or proprietary information and damage or corruption of data. These events could lead to higher operating costs from remedial actions, loss of business and potential liability.

Risks of Using Loan Servicers and Originators. The value of the Funds' investments may be dependent on the satisfactory performance of servicing obligations by the servicer. If a servicer is unable to perform all of its obligations, it could result in reductions or delays in the payments on certain investments. It is possible that the resignation or termination of a servicer and the transfer of the rights, duties and obligations of such servicer to a new servicer could adversely affect the servicing of loans held by the Funds. For example, transfers of servicing involve the risk of disruption in collections due to data input errors, misapplied or misdirected payments, system incompatibilities and other reasons. If such a transfer were to take place, the rate of delinquencies and defaults on the loans could increase, resulting in reductions or delays in the payments on the Funds' investments. In addition, there has been recent litigation against sponsors, originators, depositors, servicers and trustees of mortgage-backed securities. If such an entity which is providing services to the loans held by the Funds becomes subject to litigation relating to loans, this may increase the costs of using such servicer as well as affect the ability of such servicer to perform its obligations. No assurance can be made as to the effect that such a litigation may have on the Funds.

Risks of Lending Secured by Real Estate. The value of the homebuilder finance investments may be detrimentally affected if there is a decline in the value of the related real estate assets. To that extent, the Funds will be subject to the risks generally incident to the ownership of real property, including: uncertainty of cash flow to meet fixed and other obligations; adverse changes in the overall real estate market, local real estate conditions, population trends, neighborhood values, community conditions, general economic conditions, local employment conditions, interest rates and real estate tax rates; changes in fiscal policies; changes in applicable laws and regulations (including tax laws); the financial condition of tenants, buyers and sellers of properties; supply of or demand for competing properties in an area; accelerated construction activity; the availability of financing; and real estate tax rates; competition based on rental rates; energy and supply shortages; governmental regulations; and uninsured losses and other risks that are beyond the control of Kennedy Lewis.

Further, land developers and real estate assets are subject to federal and state environmental laws, regulations and administrative rulings which, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. Real property owners are subject to federal and state environmental laws which impose joint and several liability on past and present owners and users of real property for hazardous substance remediation and removal costs. In particular, federal and state laws require the removal or encapsulation of asbestos-containing material when such material is in poor condition or in the event of construction, demolition, remodeling or renovation, and may also require the

removal of underground storage tanks. In addition, investments in real estate or interests in real estate are illiquid and subject to industry cycles, downturns in demand and market disruptions.

Investment in CLOs Managed by Kennedy Lewis Affiliate. The Funds may invest in the equity tranches of one or more CLOs to which an affiliate of Generate or its affiliate – serves as a collateral manager or adviser. The Funds will be obligated to bear their respective proportionate share of CLO-level administrative expenses, but will not pay management fees or performance compensation with respect to the investments in the CLO. In connection with the Funds’ investment in a CLO, the interests of the other equity and debt holders of the CLO and the Funds, and therefore the interests of Kennedy Lewis and the Funds, may be in conflict, as it is in Kennedy Lewis’ interest for the Funds to invest in and remain invested in the CLO.

Use of an Affiliate Servicer. In connection with land banking investments made by the Funds, Kennedy Lewis will utilize KL Servicers LLC (“KL Servicers”), a subsidiary of Kennedy Lewis, as a loan servicer. Due to the specialized nature of the services required, Kennedy Lewis believes KL Servicers is best positioned to provide higher quality servicing at a lower cost and with greater efficiency than a third party. The Funds will pay fees to KL Servicers, which will not reduce or be offset against the management fee or any other compensation paid to Kennedy Lewis. In making the determination to use KL Servicers, as opposed to an unrelated loan servicer, Kennedy Lewis is subject to a conflict of interest because Kennedy Lewis could financially benefit from the fees paid by the Funds to KL Servicers.

Regulatory Proposals with Respect to Private Funds and Advisers. In recent years, the SEC’s stated examination priorities and published observations from examinations have included, among other things, private equity firms’ collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities, terms agreed in side letters and similar arrangements with investors, consistency of firms’ practices with disclosures, handling of material non-public information and insider trading, purported waivers or limitations of fiduciary duties and the existence of, and adherence to, policies and procedures with respect to conflicts of interest. In early 2022, the SEC proposed several new rules and amendments to existing rules under the Advisers Act specifically related to registered advisers and their activities with respect to private funds. The scope and timing of any final rules and amendments with respect to these proposals is unknown. If adopted, even with modification, these rules and amendments would be expected to significantly increase compliance burdens and associated regulatory costs and complexity. This, in turn, would be expected to increase the need for broader insurance coverage by fund managers and increase the costs and expenses charged to the Funds. In addition, these amendments could increase the risk of exposure of the Funds and Kennedy Lewis to additional regulatory scrutiny.

## **RISKS ASSOCIATED WITH TYPES OF SECURITIES THAT ARE PRIMARILY RECOMMENDED**

Fixed Income Securities. The Funds may invest in notes, bonds or other fixed income securities, which may include, without limitation, notes, bonds and debentures issued by corporations, government issued or guaranteed debt securities, commercial paper and “higher-yielding” (including non-investment grade) and, therefore, higher risk debt securities. The Funds will therefore be subject to credit, liquidity and interest rate risks.

Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Kennedy Lewis may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or

interest rate options. However, there can be no guarantee that the Funds will be successful in fully mitigating the impact of interest rate changes.

Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could disrupt severely 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.

Bank Loans. The Funds invest in loans and participations therein originated by banks and other financial institutions. These investments may include highly leveraged loans to borrowers whose credit is rated below investment grade. Such loans are typically private corporate loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks and financial institutions. In order to induce the lenders to extend credit and to offer a favorable interest rate, the borrower often provides the lenders with extensive information about its business that is not generally available to the public. To the extent that a Fund obtains such information and it is material and non-public, the Fund will be unable to trade in the securities of the borrower until the information is disclosed to the public or otherwise ceases to be material, non-public information.

The Funds may acquire interests in bank loans and other debt obligations either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. A participation interest in a portion of a debt obligation typically results in a contractual relationship with only the institution acting as a lender under the credit agreement, not with the borrower. As a holder of a participation interest, Funds generally will have no right to exercise the rights of the lender under the credit agreement, including the right to enforce compliance by the borrower with the terms of the loan agreement, approve amendments or waivers of terms, nor will the Funds have any rights of set-off against the borrower, and the Funds may not directly benefit from the collateral supporting the debt obligation in which the Funds have purchased the participation. As a result, the Funds will be exposed to the credit risk of both the borrower and the institution selling the participation.

Convertible Securities. Certain of the Funds invest in convertible securities, which are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a Fund is called for redemption, a Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on a Fund’s ability to achieve its investment objective.

Investments in Structured Products. The Funds may invest in securities backed by, or representing interests in, certain underlying instruments or assets (“structured products”), including for example securities issued by collateralized loan obligations, collateralized debt obligations, collateralized bond obligations or similar instruments. The cash flow on the underlying instruments or assets may be apportioned among the structured products to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to the structured products is dependent on the extent of the cash flow on the underlying instruments. The performance of structured products will be affected by a variety of factors, including the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets. Structured products are typically sold in private placement transactions, and investments in structured products may therefore be illiquid in nature, with no readily available secondary market. Because certain structured products of the type in which the Funds may invest may involve no credit enhancement, the credit risk of those structured products generally would be equivalent to that of the underlying instruments. The Funds may invest in a class of structured products that is either subordinated or unsubordinated to the right of payment of another class. Subordinated structured products typically have higher yields and present greater risks than unsubordinated structured products.

Additionally, the yield to maturity of a tranche may be extremely sensitive to the rate of defaults in the underlying reference portfolio. A rapid change in the rate of defaults may have a material adverse effect on the yield to maturity. It is therefore possible that the Funds may incur losses on its investments in structured products regardless of their original credit profile. Finally, the securities in which the Funds are authorized to invest include securities that are subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. Securities subject to resale restrictions may sell at a price lower than similar securities that are not subject to such restrictions.

CLO Securities. The Funds may invest in the equity tranches of CLO’s, for which the collateral manager is an affiliate of Kennedy Lewis or a third party. CLO securities are subject to various risks, including:



(i) limited diversification; (ii) significant leverage; (iii) lower credit quality securities; (iv) market illiquidity; (v) default and recovery rates; (vi) subordination to related CLO senior tranches; (vii) mandatory redemption of CLO senior tranches; (viii) nature of collateral; (ix) insolvency; (x) price volatility; and (xi) spread widening.

Risks Relating to Asset-Backed Securities. The Funds may invest in asset-backed securities (“ABS”). ABS generally refers to securities backed by assets other than mortgages, mortgage-backed securities or other mortgage-related assets. ABS, which may be private structures, are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include, but are not limited to, such items as equipment leases, purchase agreements or other performance contracts, leases of various types of real and personal property, and receivables from sales agreements or other trade contracts. ABS are subject to many of the same risks as mortgage-backed securities. Each type of ABS also entails unique risks depending on the type of assets involved and the legal structure used. There is also the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities because of the inability to perfect a security interest in such collateral.

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

Commodities and Futures Contracts. Futures markets are highly volatile. The low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and a client account may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the client accounts to substantial losses. Investing in futures contracts, options, or commodities is a highly specialized investment activity entailing greater than ordinary investment risks.

Small- and Medium-Capitalization Companies. The Funds may have investments in small- and medium-sized companies whose securities are traded in the over-the-counter market. While securities of small- and medium-capitalization companies may provide significant potential for appreciation, the securities of certain companies, particularly small-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies is higher than for larger, “blue-chip” companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Illiquid Private Investments. Certain investments made by the Funds will likely be illiquid. Any return of capital or realization of gains will generally require a disposition of some or all of an investment. A Fund’s ability to dispose of such investments may be limited for several reasons. For example, illiquidity may result from the absence of an established market for the investments, as well as legal, contractual, or other

restrictions on their resale by the relevant Fund. Disposition of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition therefor. In addition, the ability to exit an investment through public markets will depend on market conditions, particularly the market for initial public offerings. Liquidity post-initial public offering may also be limited due to legal, contractual, or other regulatory reasons.

Trading in Options. The Firm may engage from time to time in various types of options transactions on behalf of client accounts. The purchase or sale of an option involves the payment or receipt of a premium by the client and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity, or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the client loses its premium. Selling options, on the other hand, involves potentially greater risk because the client is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

**Item 9.       Disciplinary Information**

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This Item is not applicable.

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

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The general partner of each Fund is a related entity of Kennedy Lewis. Kennedy Lewis and certain of the general partner entities currently rely on exemptions from registration as commodity pool operators pursuant to U.S. Commodity Futures Trading Commission Regulation 4.13(a)(3).

The advisers listed below are affiliated advisers (“Affiliated Advisers”) of Kennedy Lewis:

- Generate, an investment adviser that manages CLO assets. Generate and Kennedy Lewis are under common control and share the same physical location and certain supervised persons. Employees of Kennedy Lewis provide services to Generate pursuant to an intercompany services agreement.
- Kennedy Lewis Advisors (Switzerland) SARL, a relying investment adviser of Kennedy Lewis which is based in Geneva, Switzerland. Kennedy Lewis Advisors (Switzerland) SARL and Kennedy Lewis are under common control and share certain supervised persons.
- Kennedy Lewis Residential Property Income Advisors LLC, which serves as investment adviser to Kennedy Lewis Residential Property Income Company LP, is a relying investment adviser of Kennedy Lewis. Kennedy Lewis Residential Property Income Advisors LLC and Kennedy Lewis are under common control and share the same physical location and certain supervised persons.
- Kennedy Lewis Capital Holdings LLC, which serves as investment adviser to the BDC. Kennedy Lewis Capital Holdings LLC and Kennedy Lewis are under common control and share the same physical location and certain supervised persons. Kennedy Lewis has entered into a resource sharing agreement (“Resource Sharing Agreement”) with Kennedy Lewis Capital Holdings LLC, pursuant to which Kennedy Lewis makes certain personnel and resources available to Kennedy Lewis Capital Holdings LLC to provide certain investment advisory services to the BDC.

Pooled investment vehicles managed by Petershill at Goldman Sachs Asset Management hold a minority passive interest in Kennedy Lewis and certain affiliated entities.

**Conflicts of Interest.**

There are numerous perceived and actual conflicts of interest among and between Kennedy Lewis, the Affiliated Advisers, its affiliates, the Funds and Affiliated Adviser Clients. The conflicts of interest that may be relevant to the Funds include those discussed below, although such discussion does not describe all of the conflicts that may be faced by Kennedy Lewis. Dealing with conflicts is complex and difficult, and new and different types of conflicts are likely to subsequently arise.

**Investments in the Same Portfolio Company.**

One Fund or Affiliated Adviser Client may, from time to time, make an investment in a portfolio company in which another Fund has previously invested, or subsequently invests, in a different part of the portfolio company capital structure and vice versa. For example, one Fund could make a loan to a portfolio company, or otherwise invest in a senior security of a portfolio company, where another Fund has already invested in the equity of the portfolio company or subsequently does so. In making an investment from a Fund in a portfolio company in which another Fund already holds an investment, Kennedy Lewis may be subject to a conflict of interest as the terms of the investment may have an impact on the value of the portfolio company and therefore the value of the existing investment. In addition, there may be instances where such a portfolio company may become insolvent or bankrupt and where one Fund’s interest in the portfolio company conflicts with another’s interest. If one Fund holds an interest in a portfolio company with rights,

preferences and privileges that are different than those held by another Fund in the same portfolio company, Kennedy Lewis could be presented with decisions when the interests of the Funds are in conflict. It is possible that, in a bankruptcy proceeding, out-of-court restructuring or other corporate action, one Fund's interest ends up subordinated or otherwise adversely affected by virtue of another Fund's investment and actions relating to its investment. Similar conflicts can arise in determining the terms of investments or if or when to exercise rights associated with investments. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund that invested in the portfolio company may not be in a position to make a further investment due to where it is in its life cycle or for some other reason. Another Fund may or may not provide the additional capital, and if provided such Fund will supply the additional capital in such amounts, if any, as determined by Kennedy Lewis. Kennedy Lewis' incentives with respect to the Funds in those cases may differ and even conflict.

#### Transactions with Affiliates.

From time to time, Kennedy Lewis may determine that a sale of positions from one Fund or Affiliated Adviser Client to another is in the best interests of both accounts. For example, an affiliate may acquire an investment from an unrelated seller or borrower in anticipation of offering it to a Kennedy Lewis-sponsored vehicle or account at a future date if such vehicle or account does not have available capital to make the investment when it is being marketed by the unrelated seller. While these transactions with related parties may expand the universe of opportunities that is available to the Funds and other clients, the Funds will not necessarily derive a benefit from each such transaction, and the Kennedy Lewis Fund and the other party to a particular transaction may have divergent interests. Moreover, there may be uncertainties regarding the valuation of investments that are subject to these transactions. In situations involving transactions with affiliates, or otherwise where required by applicable law, the general partner of a particular Fund may be required to obtain the consent of the LP advisory committee, on behalf of Kennedy Lewis.

#### Conflicts Relating to Relationships of the Affiliated Parties.

Kennedy Lewis, its affiliates and their respective partners, officers, principals and employees (collectively, the "Affiliated Parties") generally may, in their discretion, contract with any related person of the Affiliated Parties (including but not limited to a portfolio company of the Funds or another client account) to perform services for the Affiliated Parties in connection with its provision of services to the Funds or another client account. When engaging a related person to provide such services, the Affiliated Parties will have an incentive to recommend the related person in an effort to financially benefit, even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Affiliated Parties will from time to time, in their discretion, recommend to the Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) an Affiliated Party or a related person of an Affiliated Party (including but not limited to a portfolio company) or (ii) an entity with which an Affiliated Party or a member of their personnel has a relationship or from which an Affiliated Party or their personnel otherwise derives financial or other benefit. When making such a recommendation, an Affiliated Party, because of their financial or other business interest, may have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

In this regard Kennedy Lewis employs one affiliate to provide specialized servicing for certain portfolio investments of the Funds. In order to mitigate this conflict, the servicer will not operate as a profit center.

In addition portfolio companies in which a Fund has invested from time to time provide services to Kennedy Lewis, certain Fund investors or prospective investors. This creates a conflict of interest, as Kennedy Lewis has an incentive to cause such a portfolio company to favor Kennedy Lewis relative to other portfolio company clients or customers in terms of pricing, access or otherwise, which could adversely affect the portfolio company's profitability to the Fund.

Side Letter Agreements.

In connection with a particular limited partner's subscription for interests in a Fund, Kennedy Lewis and/or the applicable general partner has entered, and may in the future enter, into side letters or other similar agreements, with such limited partner that create a category of interests that would have the effect of granting more favorable rights with respect to any provision of the Governing Documents to the extent permitted by applicable law. The terms of the side letters or similar agreement may include (i) greater transparency into the Fund's portfolio, (ii) different management fee, Carried Interest or Incentive Allocation terms, (iii) granting a profit interest in an Advisory Affiliate, (iv) more favorable transfer and distribution rights, (v) rights to co-investment opportunities, (vi) investment exclusion rights, with respect to any limited partner, (vii) the right to designate an LP advisory committee representative, (viii) additional reporting and disclosure rights and (ix) notifications regarding Kennedy Lewis' business. Although certain limited partners may invest in the Funds with different material terms, the Funds and Kennedy Lewis generally will only offer such terms if they believe other limited partners will not be materially disadvantaged. Kennedy Lewis may also designate certain investors as strategic partners and, accordingly, offer them more favorable fee terms not offered to other investors.

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

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Code of Ethics.

Kennedy Lewis has adopted and implemented a code of ethics (the “Code of Ethics”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), which requires Kennedy Lewis and its employees to put the interests of the Funds and any other Firm clients before their own interests and to act honestly and fairly in all respects in the Funds and any other dealings with its clients. The Code of Ethics also requires all employees to comply with applicable federal securities laws.

The Code of Ethics describes rules surrounding personal securities transactions and applies to all Kennedy Lewis’ employees and to any other person who is deemed to be an “access person” (all such employees and other persons are referred to as “access persons”). Access persons are required to report certain personal securities transactions and holdings. Those personal securities transactions may raise potential conflicts with the interests of Kennedy Lewis’ clients. To mitigate potential conflicts of interest, Kennedy Lewis requires its access persons to pre-clear their personal transactions in any investments involving initial public offerings, private placements, as well as other “reportable securities” as defined in Rule 204A-1 under the Advisers Act. The Firm, however, allows its access persons to trade exchange traded funds and exchange traded notes, as well as other securities that are not “reportable securities” without a prior written approval.

The Code of Ethics also provides guidance for Kennedy Lewis employees regarding (i) engaging in activities outside of Kennedy Lewis’ business; (ii) documenting close personal or family relationships; and (iii) giving and receiving business related gifts and providing and receiving entertainment.

A copy of the Code of Ethics may be obtained by contacting the Chief Compliance Officer whose contact information is set forth on the cover of this Brochure.

Transaction in Securities where Kennedy Lewis has a Material Financial Interest.

Kennedy Lewis and its affiliates, as well as certain of Kennedy Lewis’ employees may, and currently do, invest in the Funds, and, accordingly, will share any profits and losses generated by the Funds’ investments. Furthermore, in certain situations, related persons of Kennedy Lewis may purchase interests in the same investments held by the Funds, subject to pre-clearance and other Code of Ethics requirements. Conflicts of interest may arise if Kennedy Lewis or its employees recommend a particular transaction because of a financial interest held by any such person in such securities or interests. Such investments pose a risk that Kennedy Lewis will favor one or more Funds in which an investment is maintained.

As described above, Funds advised by Kennedy Lewis from time to time, invest in the equity of CLOs managed by Generate or the BDC. Such investments do pose conflicts of interest. The Funds shall invest in CLOs managed by Generate if and only when the investment committee has concluded that such investment is superior opportunity to other opportunities in the market and that it is the Fund’s interest to invest in such CLO. The Funds will not be charged a management fee in connection with any investment in Generate-managed CLOs. As described above in Item 5, there is no management fee or performance compensation paid at the Core Lending Fund-level with respect to amounts invested in the BDC.

Insider Trading Policy.

Kennedy Lewis, its Affiliate Advisers or their respective related persons, in the course of their investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which Kennedy Lewis, its affiliates or their respective related persons have invested or seek to invest on behalf of the Funds or other clients. Kennedy Lewis is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Fund. Kennedy Lewis maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that Kennedy Lewis is meeting its obligations to the Funds and remains in compliance with applicable law. In certain circumstances, Kennedy Lewis may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security or financial instrument, but Kennedy Lewis will be prohibited from communicating such information to the Funds or using such information for the Funds' benefit. In such circumstances, Kennedy Lewis will have no responsibility or liability to the Funds for not disclosing such information to the Funds (or the fact that Kennedy Lewis possesses such information), or not using such information for the Funds' benefit, as a result of following its policies and procedures designed to provide reasonable assurances that it is complying with applicable law.



**Item 12. Brokerage Practices**

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As investment adviser to the Funds, Kennedy Lewis has been granted the discretionary authority in the relevant Governing Documents and/or investment management agreements to determine which securities and what quantities of such securities are to be bought or sold.

For transactions in which the services of a broker-dealer are deemed to be necessary or beneficial, Kennedy Lewis is also authorized to select the broker-dealer to be used and the commission rates to be paid.

**Broker Selection and Best Execution.**

Kennedy Lewis is authorized to determine the broker-dealer to be used for each applicable securities transaction for the Funds. In selecting broker-dealers to execute transactions, Kennedy Lewis is not required to solicit competitive bids and does not have an obligation to seek the lowest available pricing. Kennedy Lewis may not always select a broker-dealer based on the best price, but will take into account a number of qualitative and quantitative factors. In selecting broker-dealers and negotiating compensation arrangements, Kennedy Lewis will typically take into account a range of factors, including, without limitation: transacting parties' ability to source investments in a responsible and efficient manner, historical net prices (after markups, markdowns and other transaction-related compensation); transacting parties' execution, clearance, and settlement and error correction capabilities generally and in connection with instruments of the type and in the amounts to be bought or sold; their willingness to commit capital; their reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the market for the instrument in question; and the nature, quantity, and quality of research and other services and products the transacting party provides. Kennedy Lewis may place transactions with a broker-dealer that (i) provides the Firm with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers clients or limited partners to other products advised by Kennedy Lewis, if otherwise consistent with seeking best execution, provided Kennedy Lewis is not selecting the broker-dealer in remuneration of the opportunity to participate in such capital introduction events or the referral of clients or prospective limited partners. Clients may at times pay more than the lowest transaction cost available in order to obtain services and products other than the execution of securities transactions.

**Soft Dollars.**

Kennedy Lewis has not entered into, and does not intend to enter into, any formal soft dollar arrangements but may receive products or services from broker-dealers and other counterparties that to the best of Kennedy Lewis' knowledge are generally made available to all institutional clients doing business with these counterparties. These products and services are made available to Kennedy Lewis on an unsolicited basis and without regard to transaction costs paid by the Funds or the volume of business Kennedy Lewis directs to these counterparties.

**Item 13.      Review of Accounts**

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Positions held by Kennedy Lewis' Funds will be continuously monitored and reviewed by the investment advisory personnel of Kennedy Lewis. Accounts will also be subject to regular reviews in the context of the Funds' stated investment objectives and guidelines. Additional reviews may be triggered by material changes in variables such as the Funds' or individual circumstances, or the market, political or economic environment.

Limited partners will be provided a quarterly performance report by Kennedy Lewis and a quarterly capital statement by the Funds' administrator.

**Item 14. Client Referrals and Other Compensation**

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Kennedy Lewis compensates third-party solicitors or other promoters for referrals of private fund investors. Kennedy Lewis' arrangements with third-party solicitors or other promoters may vary. Any compensation paid pursuant to these arrangements creates an incentive for the third-party solicitor or other promoter to recommend Kennedy Lewis, resulting in a material conflict of interest. An affiliate of a Fund portfolio company has been retained by Kennedy Lewis to place interests in one or more Kennedy Lewis-managed private funds. Affiliates of the Fund portfolio company may also place investors in a fund managed by a Kennedy Lewis Affiliate Advisor and may receive a profits interest in a Kennedy Lewis Affiliated Advisor.

**Item 15. Custody**

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Kennedy Lewis and its affiliated general partners are deemed to have custody of the assets of the Funds and intend to comply with Rule 206(4)-2 under the Advisers Act by meeting the conditions of the pooled vehicle annual audit provision.

**Item 16. Investment Discretion**

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Kennedy Lewis has discretionary authority to manage securities accounts on behalf of the Funds.

As investment adviser to the Funds, Kennedy Lewis has generally been granted the discretionary authority in the relevant Governing Documents to determine which securities, and what quantities of such securities, are to be bought or sold, as well as the broker-dealer to be used and the commission rates to be paid, if any.

Kennedy Lewis has adopted and implemented policies and procedures relating to the allocation of investment opportunities between and among the Funds and other clients. As mentioned above, Kennedy Lewis is required to provide fair and equitable treatment to the Funds and any other client account which shares similar investment mandates and guidelines. However, because of differences in account size, account ramp-up or liquidation status, cash considerations, tax restrictions, regulatory restrictions, specific investment guidelines, liquidity and other considerations, it is expected that the Funds may not necessarily participate in, or will receive, a pro rata share of every investment opportunity.

Securities and other investment opportunities acquired through a limited offering and illiquid securities will be allocated in accordance with the procedures set forth in Kennedy Lewis' allocation policy.

To the extent that the Funds are investing alongside the BDC, the arrangements will be required to be in accordance with the exemptive relief granted by the SEC which applies to the BDC and the Funds. The exemptive relief enumerates various conditions that need to be followed by the Funds, the BDC and Kennedy Lewis.

**Co-Investment**

Kennedy Lewis may determine that the size of an available investment opportunity being considered by one or more of the Funds meaningfully exceeds the amount that is appropriate for the Fund (taking into consideration the relevant provision of the Fund's Governing Documents). Kennedy Lewis may form one or more co-investment vehicles specifically to take up such excess opportunity and may offer one or more persons (including, but not limited to, investors in the relevant Fund or consultants) the opportunity to participate in such co-investment vehicles. In this regard, Kennedy Lewis manages KLCP Co-Investment Opportunities III LP ("Co-Invest"), which was established to make co-investments in parallel with Fund III. Certain Funds also have been granted rights to co-investment opportunities in accordance with their Governing Documents.

Kennedy Lewis will determine the person(s) to whom it offers any such opportunity, and the relative amounts offered to each such person, taking into account such factors as Kennedy Lewis determines appropriate based on the relevant facts and circumstances, which may include one or more of the following: (i) the ability of an investor to commit to invest in a short period of time, in light of the timing constraints applicable to such investment; (ii) the ability of an investor to commit to a significant portion of such opportunity; (iii) whether an investor provides strategic value in respect of such investment, such as by having relevant experience in the sector or existing relationships with management or other relevant parties; (iv) the size of an investor's commitment to the Fund; (v) whether and to what extent an investor has accepted prior co-investment opportunities offered to it; or (vi) such other factors as Kennedy Lewis deems relevant, which may include subjective determinations such as working relationships and strategic benefits to Kennedy Lewis or to the Funds. In all cases, allocation of co-investment opportunities will be subject to the provisions of the Governing Documents of the relevant Fund.

The management of Co-Invest, and other Funds with co-investment rights, by Kennedy Lewis creates a conflict of interest in that Co-Invest and such other Funds may benefit from due diligence conducted by

Fund(s) without co-investment rights and transaction cost that is allocated to the Fund(s). In addition, Co-Invest, and other Funds with co-investment rights, will not necessarily be allocated Unconsummated Transaction Expenses.

From time to time, Kennedy Lewis may form special purpose vehicles (“SPVs”) to acquire illiquid investments on behalf of multiple Clients where direct ownership is impracticable. No fees or material costs are incurred by use of these SPVs, except as otherwise disclosed in the Governing Documents of KLRES.

#### Cross Transactions.

Kennedy Lewis may effect cross transactions between the Funds and Affiliated Adviser Clients accounts, except as otherwise noted below. Cross transactions enable Kennedy Lewis to effect a trade between two Funds for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Kennedy Lewis has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions, including with respect to a decision to enter into such transactions and with respect to valuation, pricing and other terms. Because Kennedy Lewis represents the interests of both the seller and the buyer in a cross transaction, the Funds or other clients for which Kennedy Lewis executes cross transactions bear the risk that other Funds or clients in the cross transaction will be treated more favorably, especially where the other party pays a higher investment management or performance compensation. The Funds also bear the risk that the price of a security bought or sold through a cross transaction may be less favorable than it might have been had the transaction been executed in the open market, the risk that they receive a security that is difficult to dispose of in a market transaction. Kennedy Lewis will only engage in a cross transaction between the Funds or other clients when Kennedy Lewis has determined that the cross transaction is in the best interest of each client. Cross transactions between the Fund or other client accounts are not permitted if they would constitute principal trades unless consent has been obtained or trades for which the Adviser or its affiliates are compensated as a broker. In certain circumstances Kennedy Lewis is required to obtain a consent from the Funds’ investment advisory committee.

#### Trade Errors.

Kennedy Lewis has adopted and implemented trade processes and procedures designed to reduce the likelihood of errors. If it appears that a trade error has occurred, Kennedy Lewis will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, the Kennedy Lewis’ error correction procedure is to ensure that clients are treated fairly. Kennedy Lewis has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy.

Kennedy Lewis’ general policy will seek to identify and correct any trade errors promptly and in a way that mitigates any losses. Trade errors in a Fund will be borne by the Fund unless an error is the result of gross negligence, willful misconduct or violation of applicable laws by Kennedy Lewis. To the extent that the ERISA fiduciary standard applies to trading in a Fund’s accounts, in the event of a trade error, such Fund will not bear any losses, and will keep any gains.

**Item 17. Voting Client Securities**

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In accordance with its fiduciary duty to clients and Rule 206(4)-6 under the Advisers Act, Kennedy Lewis has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Kennedy Lewis receives will be treated in accordance with these policies and procedures.

Proxies must be voted with diligence, care, and loyalty. Kennedy Lewis votes each proxy in accordance with its fiduciary duty to its clients and Affiliated Adviser Clients. Kennedy Lewis seeks to vote proxies in a way that maximizes the value of Fund assets. Each proxy vote is ultimately cast on a case-by-case basis, as Kennedy Lewis considers the contractual obligations under Governing Documents and investment management agreements, and all other relevant facts and circumstances at the time of the vote.

Kennedy Lewis will abstain from voting or affirmatively decide not to vote if Kennedy Lewis determines that abstention or not voting is in the best interests of the client. In making this determination, Kennedy Lewis will consider various factors, including, but not limited to, (i) the costs associated with exercising the proxy (e.g., translation or travel costs); and (ii) any legal restrictions on trading resulting from the exercise of a proxy.

If a material conflict of interest between Kennedy Lewis and a Fund exists, Kennedy Lewis will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of a Fund or take some other appropriate action.

Clients may obtain a copy of Kennedy Lewis' proxy voting policies and procedures and information about how Kennedy Lewis voted a client's proxies by contacting submitting a request to the Chief Compliance Officer, whose contact information can be found on the cover page of this brochure.

**Item 18. Financial Information**

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This Item is not applicable.

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