

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**Taika Capital, LP**

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**March 29, 2024**

**This Brochure provides information about the qualifications and business practices of Taika Capital, LP (“Taika” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Taika is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

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

## **Item 2 – Material Changes**

Taika is amending its Brochure to reflect updates since the last filing in April 2023. The material changes made to this Brochure are as follows:

- None

### Item 3 – Table of Contents

Item 1 – Cover Page .....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	2
Item 6 – Performance-Based Fees and Side-By-Side Management .....	4
Item 7 – Types of Clients .....	4
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss .....	5
Item 9 – Disciplinary Information .....	11
Item 10 – Other Financial Industry Activities and Affiliations .....	11
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	11
Item 12 – Brokerage Practices .....	13
Item 13 – Review of Accounts.....	15
Item 14 – Client Referrals and Other Compensation .....	16
Item 15 – Custody .....	16
Item 16 – Investment Discretion.....	17
Item 17 – Voting Client Securities .....	17
Item 18 – Financial Information .....	18
Item 19 – Requirements for State-Registered Advisers .....	18

Brochure Supplement(s)

## Item 4 – Advisory Business

### A. Description of the Advisory Firm

Taika, a Delaware limited partnership formed in April of 2021, provides discretionary investment advisory services to certain pooled investment vehicles. Taika Capital Partners, LLC is general partner to Taika and has designated Michael Coleman as Chief Investment Officer (the “CIO”) of the Firm.

### B. Types of Advisory Services

Taika serves as investment adviser to private investment funds (the “Funds”) pursuant to each Fund’s offering memorandum, and subscription documents (“Constituent Documents”), as sub-advisor to a pooled investment vehicle (“Sub-Advisory Client”) pursuant to a sub-advisory agreement, and potentially to separately managed accounts in accordance with each accounts investment management agreement, (collectively with the Fund investors, the (“Client” or “Clients”). Taika intends to manage SMA Clients using the same strategy employed for the Funds, only deviating to accommodate tailored SMA Client requirements, which are negotiated on a case-by-case basis. Similarly, Taika uses the Fund strategy for its Sub-Advisory Client, subject to requirements in its sub-advisory agreement. The Funds offer limited partnership interests (“Interests”) to certain qualified investors as described in response to Item 7, below (such investors are referred to herein as “Investors”).

Future SMA Clients are generally expected to be high net worth or ultra-high net worth individuals and institutional investors.

### C. Client Tailored Services and Client Imposed Restrictions

With respect to the Funds, Taika has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Funds or its investors. Taika’s Sub-Advisory Client has certain restrictions pertaining to leverage, long versus short exposures, and pre-approval rights for certain investment products. Future SMA Clients may negotiate similar requirements in their management agreements.

### D. Wrap Fee Programs

Taika does not participate in wrap fee programs.

### E. Amounts Under Management

Taika manages the assets of the Clients and has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	As of:
\$248,839,393	0	12-31-2023

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to Taika are negotiable and may vary among its Clients. Currently, for Taika managed private funds, the range of compensation is generally as follows:

#### 1. Management Fee

With respect to the Funds, Taika typically receives a monthly asset-based management fee calculated as a percentage of each Investor's capital account, payable monthly in advance. The management fee is generally 2% annualized. **With respect to SMA and Sub-Advisory Clients, Management Fees vary on a case-by-case basis. Management Fees may be higher or lower than those set for the Funds, often considering constraints and rights negotiated with the SMA Client, as well as the Performance Fees.**

#### 2. Performance-based Fees

From the Funds, Taika generally receives an incentive allocation equal to a percentage of the net income allocated to each Investor for the year, but only to the extent net income allocated to that Investor exceeds any cumulative losses that were allocated to that Investor for earlier periods and that have not been recovered (a "high water mark"). This incentive allocation is generally 20% and is typically made at the end of each calendar year.

The incentive allocation will only be charged to accounts of those investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), in accordance with applicable state law.

**With respect to SMA and Sub-Advisory Clients, Management Fees vary on a case-by-case basis. Performance Fees may be higher or lower than those set for the Funds, often considering constraints and rights negotiated with the SMA Client, as well as the Management Fees.**

#### 3. Other Fees

##### Consulting Services

Taika does not provide consulting services to its Clients.

#### 4. Fee Comparison

Client expenses, including the management fee and any performance-based fees may constitute a higher percentage of average net assets than could be found in other investment programs.

### B. Payment of Fees

Management fees, performance-based fees, and third-party fees (discussed below) are deducted from Client assets. Management fees, which are paid in advance, are withdrawn in advance at the beginning of the month based on the prior month-end value of client assets.

Performance-based fees are determined as of the last business day of the calendar year and as of any date on which an Investor makes a withdrawal or receives a distribution from such Investor's capital account(s).

Taika's sole Sub-Advisory Client has a different frequency and timing for payment of fees than the Funds, and future SMA Clients may also have differing fee payment schedules that are tailored to each client's specific needs.

C. Third-Party Fees

Clients shall pay such costs and expenses as Taika shall reasonably determine to be necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including but not limited to: (i) management fees; (ii) all general investment expenses (i.e., expenses which Taika reasonably determines to be directly related to the investment of the Client's assets); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) fees, costs and expenses of third-party service providers that provide such services; and, (v) any extraordinary expenses, among other expenses. Costs and expenses that are borne by the Clients are disclosed in the Constituent Documents or the individual management agreements for Sub-Advisory and SMA Clients.

Taika's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Funds, SMAs, and Sub-Advisory Clients. Such charges, fees and commissions are exclusive of and in addition to Taika's management and, where applicable, performance-based fee, and Taika shall not receive any portion of these commissions, fees, and costs. Any deviations are, or will be, specified in the management agreements of Sub-Advisory and future SMA Clients.

Please see Item 12 of this Brochure regarding brokerage activity.

D. Prepayment of Fees

Taika will pro rate the management fee for Fund Interests held for less than a full month as a result of subscribing for interests other than on the first business day of the month. The same pro ration of fees process applies for SMA and Sub-Advisory Clients where the advisory services commence after the first business day of the month. Prepaid but unearned fees are refunded to the Clients, as the case may be.

Taika generally requires Fund investors wishing to withdraw amounts from their capital accounts to provide 45 days written notice for the last calendar day of a fiscal quarter, with withdrawals subject to further restrictions within the first 12 months of investors capital contribution, or for non-quarter end calendar dates and does not permit withdrawals on any other date. **SMA and Sub-Advisory Clients may have more or less favorable withdrawal rights. Withdrawal rights are negotiated with SMA and Sub-Advisory Clients on a case-by-case basis and consider the unique liquidity requirements of the Client, as well as the broader rights and obligations negotiated for in the sub-advisory of future individual management agreements.**

E. Outside Compensation for the Sale of Securities

Neither Taika nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with Taika.

**The foregoing discussion in Items 5 represents Taika's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although Taika believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

As discussed in Item 5.A. above, Taika generally receives an incentive allocation equal to a percentage of the net income allocated to each Fund investor for the year with respect to its Funds. Due to the Fund's structure, Taika allocates investment opportunities to the Fund, and not to individual Investor accounts. Taika's sole Sub-Advisory Client has a different performance-based fee profile than the Funds, and future SMA Clients may have performance-based fee arrangements that are tailored to each client's specific needs. Performance-based compensation may provide a possible incentive for Taika to make riskier or more speculative investments on behalf of a Client than it might make otherwise. Notwithstanding this potential incentive, Taika will evaluate investments in a manner that it considers to be in the best interest of its Clients, given those Clients' investment objectives, investment strategies, suitability of the investment, and risk profile.

**Item 7 – Types of Clients**

Taika provides investment advice and management to the Funds, a Sub-Advisory Pool Client, and future potential SMAs.

Taika intends to restrict the number of investors in the Funds and will offer Interests only through non-public transactions in order to maintain their exclusion from "investment company" status under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Prospective investors in the Funds must meet eligibility criteria and are subject to certain withdrawal requirements and limitations. Prospective investors are encouraged to thoroughly review a Fund's Constituent Documents, which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ. Terms for Sub-Advisory Clients and future SMAs will generally be similar to the Funds, however, these Clients may negotiate terms on a case-by-case basis that may result in terms that are different from those of the Funds or other Clients.

*The Funds.* Each Investor generally must be an "accredited investor" (as defined in Regulation D under the Securities Act of 1933), and may, at the discretion of the general partner, be

required to be a “qualified purchaser” (as defined in Section 2(a)(51) of the US Investment Company Act) , a Fund investor who is eligible to enter into a performance fee arrangement under state and/or federal law, as applicable, and must also meet other criteria as specified in the Constituent Documents. The minimum initial investment is \$500,000, and the minimum additional investment is \$100,000, subject to waiver at the discretion of Taika.

*SMA and Sub-Advisory Clients.* Generally, similar terms apply to Taika’s Sub-Advisory Client and potential SMA Clients. However, as stated above, SMA Clients may negotiate terms that differ or are more favorable than those for the Funds.

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

### A. Methods of Analysis

Taika’s primary methods of analysis comprise of quantitative and fundamental analysis using a variety of publicly available data sources; inspection of corporate activities; research materials prepared by others; corporate rating services; timing services; annual reports, prospectuses, filings with the SEC; and company press releases.

### B. Investment Strategies

Taika employs a “Long/Short” equity investment strategy primarily focused on Mid to Large Cap US Equities and American Depositary Receipts (“ADRs”). In managing its portfolios, consistent with its broader investment thesis, Taika has discretion to identify, invest, and hedge in products outside of Mid to Large Cap US Equities and ADRs. Generally, Taika’s strategy will first identify a pool of potential investments generated by its proprietary quant model. Once identified, Taika assesses fundamentals of the select equities from the pool, then formulates an investment thesis for all finalists, whether long or short, where they are proposed to the CIO. Taika’s CIO is the sole decision maker for final investment decisions, as well as the management of invested assets thereafter. Ultimately, all investments must satisfy both Taika’s quantitative and fundamental standards for analysis.

### C. Risks of Investments and Strategies Utilized

**Investing in securities involves risk of loss, including the investment principal, that Clients should be prepared to bear.**

Investment and trading risk factors may include:

**General Investment and Trading Risks.** Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

**Common Stocks and Equity-Related Securities.** Prices of common stock react to the economic conditions of the company that issued the security, industry and market conditions, and other factors and may fluctuate widely. Investments related to the value of stocks may



rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly the value of other equity-related securities, including preferred stock, warrants and options may also vary widely.

**Small-Cap and Mid-Cap Risks.** Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small-cap and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small-cap and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

**Risks Associated with Investments in Distressed Securities.** A Client may invest in "below investment grade" securities and obligations of domestic and non-US issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Some of these securities may not be publicly traded, and it therefore may be difficult to obtain information as to the true condition of such issuers. Additionally, in certain periods, there may be little or no liquidity in markets for these securities. Such investments also may be affected adversely by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

**Investing in High Yield Securities.** High-yield securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments.

**Commodities and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and

swap agreements also depends upon the price of the commodities underlying them. In addition, client assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Credit Default Swaps.** A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default and the shape of the U.S. Treasury Market curve, among other factors. As such, there are many factors upon which market participants may have divergent views.

**Convertible Securities.** 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 investment value of convertible securities. The conversion value of a convertible security is determined by the market price of the underlying common stock. 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 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 is called for redemption, a client 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 the client's ability to achieve its investment objective.

**Exchange Traded Funds.** Exchange-traded funds ("ETFs") are a type of index fund bought and sold on a securities exchange. The risks of owning ETFs generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in ETFs could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

**Investments in Private Funds.** If a client invests in private funds, the client is subject to the risks of the underlying funds' investments and subject to the underlying funds' expenses. There can be no assurance that the other funds will achieve their objectives or avoid substantial losses.

**Futures, Commodities, and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and

international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, client assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Highly Volatile Markets.** The prices of financial instruments can be highly volatile. Price movements of forward and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

**Use of Leverage and Financing.** A client may pledge its securities in order to borrow additional funds for investment purposes. Any event which adversely affects the value of an investment by the client would be magnified to the extent the client is leveraged. The cumulative effect of the use of leverage by a client in a market that moves adversely to the client's investments could result in a substantial loss that would be greater than if the client were not leveraged.

**Hedging Transactions.** While a client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the client than if it had not engaged in any such hedging transactions. For a variety of reasons, Taika may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a client from achieving the intended hedge or expose the client to risk of loss.

**Derivatives and Hedging.** Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. A client's ability to profit or avoid risk through investment or trading in derivatives will depend on Taika's ability to anticipate changes in the underlying assets, reference rates or indices.

**Short Selling.** Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the client of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Forward Trading.** Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in

these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. Disruptions can occur in any market due to unusually high trading volume, political intervention, or other factors. Market illiquidity or disruption could result in major losses.

**Limited Diversification.** Investments may be primarily focused geographically in North American countries. Furthermore, broad diversification of investments in number or by industry or geography is not a primary investment of Taika. This limited diversity could expose clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

**Non-U.S. Securities.** Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers.

**Emerging Markets.** In addition to the risks associated with investments outside of the United States, investments in emerging markets (i.e., the developing countries) may involve additional risks. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices.

**Illiquid Investments.** Securities and other assets may be subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

**Counterparty Risk.** Transactions may be affected in “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing clients to suffer a loss.

**Residential Mortgage-Backed Securities.** The loans underlying residential mortgage-backed securities ("RMBS") have had in many cases higher default rates than those loans that meet government underwriting requirements. RMBS may be backed by subprime mortgage loans. Due to the higher delinquency rates and losses associated with subprime mortgage loans, the performance of an RMBS could be correspondingly adversely affected.

**Asset-Backed Securities.** The underlying assets and loans for asset-backed securities ("ABS"), those that are backed by consumer debt, are subject to prepayments that shorten the securities' weighted average life and may lower their returns. If the credit support or enhancement is exhausted, losses or delays in payment may result if the required payments of principal and interest are not made. The value of these securities also may change because of changes in the market's perception of the creditworthiness of the servicing agent for the pool, the originator of the pool, or the financial institution providing the credit support or enhancement.

**Commercial Mortgage-Backed Securities.** Commercial Mortgage-Backed Securities ("CMBS") issued or guaranteed by the U.S. Government, its agencies or instrumentalities, or private issuers such as banks, insurance companies, and savings and loans are often subject to more rapid repayment than their stated maturity dates would indicate as a result of principal prepayments on the underlying loans. This can result in significantly greater price and yield volatility than with traditional fixed-income securities. During periods of declining interest rates, prepayments can be expected to accelerate which will shorten these securities' weighted average life and may lower their return. Conversely, in a rising interest rate environment, a declining prepayment rate will extend the weighted average life of these securities which generally would cause their values to fluctuate more widely in response to changes in interest rates.

**Real Estate-Related Securities.** Securities issued by entities which invest in real estate, including "real estate investment trusts" ("REITs"), generally will be subject to the risks incident to the ownership and operation of commercial real estate and/or risks incident to the making of nonrecourse mortgage loans secured by real estate. Such risks include, without limitation, the risks associated with both the domestic and international general economic climates; local real estate conditions; risks due to dependence on cash flow; risks and operating problems arising out of the absence of certain construction materials; changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); the financial condition of tenants, buyers and sellers of properties; changes in availability of debt financing; energy and supply shortages; changes in the tax, real estate, environmental, and zoning laws and regulations; various uninsured or uninsurable risks; natural disasters; and the ability of the Master Fund or third-party borrowers to manage the real properties. In addition, the Master Fund may incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property.

More information about the Clients' investments and the associated risk factors is available in the Constituent Documents, sub-advisory agreements, or management agreements.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with Taika. Prospective Investors and Clients should read the entire Brochure, as well as the Constituent Documents, Management Agreements, and other materials that may be provided by Taika, in addition to consultation with their own advisers prior to engaging Taika's services.**

### **Item 9 – Disciplinary Information**

Taika and its management persons have not been a party to any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its investment advisory business or the integrity of its management.

### **Item 10 – Other Financial Industry Activities and Affiliations**

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither Taika nor its management persons are registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

Neither Taika nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

There are no other relationships or arrangements that are material to this advisory business.

D. Selection of Other Advisors or Managers

Taika does not utilize nor select other advisors or third-party managers. All assets are managed by Taika.

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

A. Code of Ethics

Taika has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act. The Code governs the activities of each member, officer, director, and employee of Taika (collectively, "Employees"). Taika holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Clients, Taika strives to avoid conflicts of interest or the appearance of conflicts of interest in connection

with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of Clients must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer or their designee.

Taika will provide a copy of its Code to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to Taika via email or regular mail. Both addresses can be found on the cover page of this Brochure.

**B. Recommendations Involving Material Financial Interests**

Neither Taika nor its related persons make investment recommendations to Clients in which Taika or a related person has a material financial interest.

**C. Investing Personal Money in the Same Securities as Clients**

Taika's policies and procedures prohibit its Employees and related persons from trading ahead of Clients in the same instruments that Taika buys or sells for Client accounts. However, there may be circumstances in which Taika, its Employees or related persons have holdings in the same financial instruments that Taika buys or sells for Client accounts, and they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of Taika's recommendations regarding a particular security. Taika's policy as to such transactions is that neither Taika nor its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts or otherwise Taika addresses this conflict by requiring Employees to sign and adhere to Taika's Code and to report personal securities holdings and transactions to Taika.

**D. Trading Securities At/Around the Same Time as Clients' Securities**

As discussed above, from time to time, Taika, its Employees, or related persons of Taika may buy or sell securities or other financial instruments for themselves that Taika also recommends to the Client. Taika's Code generally limits the ability of Employees to transact in securities that Taika is active in on behalf of Clients. However, in the event a potential conflict arises due the timing of Client and Employee securities transactions, Taika will undertake reasonable efforts to review and documents the facts surrounding any potential conflicts to ensure that, as a fiduciary, the Clients best interests are served above those of any Employee.

## Item 12 – Brokerage Practices

### A. Factors Used to Select or Recommending Broker-Dealers

Taika will generally have discretion as to the placement of brokerage (and accordingly, the commission rates paid), however, Taika has arrangements with its Sub-Advisory Client that requires pre-approval of new brokers that Taika intends to use and can request a different prime broker. In such cases that the Sub-Advisory Client, or future SMA Clients, does not approve of the intended broker, or requires a different prime broker than the Funds or other Clients, Taika would conduct analysis to assess and remediate impacts to other clients. In selecting brokers to effect portfolio transactions, the Taika considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with the Taika's policies and procedures. In selecting broker-dealers to execute transactions, Taika need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Taika believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, Taika seeks to pre-negotiate preferred terms for its clients, providing clients with the benefits associated with the economy of scale and custodial knowledge of the firm.

Certain brokers utilized by Taika may provide general assistance to Taika, including, but not limited to technical support, capital introduction, consulting services, and consulting services related to staffing needs. In selecting a broker, Taika may consider the broker's general assistance and consulting services. To the extent Taika would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

#### 1. Research and Other Soft Dollar Benefits

Taika may effect transactions with broker-dealers who provide research services (collectively, "Soft Dollar") to Taika that assist Taika in making investment and trading decisions on behalf of its Clients. The negotiated commissions paid to broker-dealers supplying Soft Dollars may not represent the lowest obtainable commission rates. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and Soft Dollars provided by the broker-dealer, viewed in terms of either the particular transaction or Taika's overall responsibilities with respect to its Clients. Taika intends to comply with the soft dollar "safe harbor" afforded by Section 28(e) under the Securities Exchange Act of 1934, as amended.

When Taika uses Client brokerage commissions to obtain Soft Dollars, it receives a benefit because it does not have to produce or pay for such Soft Dollar. However, Taika believes that



such Soft Dollar may provide Clients with benefits by supplementing the research and services otherwise available to the Clients. In addition, the research and other benefits resulting from a brokerage relationship benefit all Clients and/or Taika's operations as a whole.

Taika may have an incentive to select or recommend a broker-dealer based on its interest in receiving the Soft Dollars, rather than on the Client's interest in receiving most favorable execution. Taika periodically reviews the execution performance of its brokers to ensure that any potential conflicts of interests are resolved.

To the extent that Taika does engage in such "soft dollar" arrangements, the Client may be charged a brokerage commission in excess of that which another broker might charge for effecting the same transaction if Taika determines in good faith that such commission is reasonable in relation to the value of the brokerage, research, other services and Soft Dollar relationships provided by that broker, viewed in terms of either the specific transaction or Taika's overall responsibilities to the portfolios over which Taika exercises investment authority.

Soft Dollars, whether provided directly or indirectly, may be utilized for the benefit of Taika's and its affiliates' other accounts. Soft Dollar items are not limited to those Clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft Dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the Soft Dollar benefits.

Within the last fiscal year, Taika used "soft-dollars" to receive broker-dealer research reports, company financial data and economic data.

A broker from which Taika obtains Soft Dollar services generally establishes "credits" based on past transactional business which may be used to pay for specified expenses. In some cases, the process is less formal, and a broker simply may suggest a level of future business that would fully compensate the broker-dealer for services or products it provides. Taika monitors the Soft Dollar services provided to ensure that appropriate transactions are executed with a Soft Dollar provider.

## **2. Brokerage for Client Referrals**

Taika does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. Taika may receive referrals in the future and if it does it will appropriately amend this Brochure.

## **3. Directed Brokerage**

Taika does not accept directed brokerage arrangements. Securities transactions are executed by brokers selected by Taika in its discretion and without the consent of the Clients. Taika may enter into directed brokerage arrangements only in its discretion.

## **B. Aggregating Trading for Multiple Client Accounts**

Taika may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or

its principals have an economic interest. When it does, Taika will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Taika believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Taika's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of Taika's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

Taika may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client, or requirements specified in tailored sub-advisory or management agreements.

In addition, Taika's related persons or Clients may buy or sell specific securities for their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made.

Finally, where execution opportunities for a particular security are limited, Taika attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all clients. In all cases, Taika adheres to its Allocation Policy.

### **Item 13 – Review of Accounts**

#### **A. Frequency and Nature of Periodic Review and Who Makes Those Reviews**

Taika reviews Client accounts to ensure consistency with the Client's strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered. The reviews are conducted regularly by Taika's senior management and on a quarterly basis by management committee where appropriate.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may take place more frequently if triggered by economic, market, or political conditions.

#### **C. Content and Frequency of Regular Reports**

Investors in the Funds will generally receive unaudited reports of performance monthly and will receive audited year-end financial statements annually.

Sub-Advisory and SMA Clients may negotiate specific reports and/or report frequency.

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

### **A. Economic Benefits Provided by Third Parties**

Taika does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to the Clients.

### **B. Compensation to Non-Advisory Personnel for Client Referrals**

Currently, neither Taika nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future Taika enters into such arrangements, this Brochure will be appropriately amended.

### **C. Endorsements and Capital Introduction**

Taika may, from time to time, be introduced to certain clients of its brokers as potential prospective investors in Funds that Taika advises. This is a common arrangement between Advisors and their brokers in the financial industry, commonly referred to as capital introduction, or colloquially as “Cap Intro”. Taika does not pay for Cap Intro directly in the form of referral fees or subscriptions, but nonetheless has access to this service as one aspect of a larger bundle of services that accompany its brokerage relationships. Recent SEC rule changes indicate that Cap Intro should be considered a form of Endorsement under rule 206(4)-1, whose use should comply with the requirements of the rule. Accordingly, Taika treats Cap Intro arrangements as Endorsements and intends to comply with the requirements of the rule.

## **Item 15 – Custody**

For purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), the Firm will be deemed to have custody over the Funds’ assets because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client’s account or otherwise withdrawing funds from a client’s account, even though independent qualified custodians, including Prime Brokers, actually custody those assets. The Custody Rule generally requires investment advisers that have “custody” of Client assets to cause certain account statements detailing holdings and transactions to be sent to Clients and imposes certain other obligations. However, advisers to investment funds, like the Fund, need not comply with those requirements where (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds’ audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) the Firm delivers such annual audited financial statements to investors within 120 days after the end of each Fund’s fiscal year. Taika, in conjunction with and on behalf of Taika Capital Partners, LLC, General Partner of the Funds, satisfies these requirements.

Currently, Taika's only Sub-Advisory Client maintains custody of their account and the Custody Rule is not applicable. Sub-Advisory and SMA Client's should review any statements sent by the Investment Adviser against the statements sent by the Client's qualified custodian.

Should Taika ever advise an SMA Client where it is determined that Taika has custody of Client account assets, Taika will make necessary arrangements to comply with the Custody Rule.

### **Item 16 – Investment Discretion**

Constituent Documents and account agreements generally authorize Taika to invest and trade the assets in a broad range of investments, to be selected at Taika's sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, Taika may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Pursuant to the Constituent Documents, sub-advisory agreements, and SMA agreements, Clients designate Taika as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Clients' business and affairs, including execution of the Clients' governing documents, as well as sub-advisory and SMA agreements. An investor's execution of a Fund's subscription agreement constitutes its execution of the Fund's Constituent Documents and the terms and conditions set forth therein.

### **Item 17 – Voting Client Securities**

Taika exercises voting authority over Client proxies and has adopted proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Advisers Act, as amended. The policies require Taika to vote proxies received in a manner consistent with the best interests of the Client.

The policies also require Taika to vote proxies in a prudent and diligent manner intended to enhance the economic value of the assets of the Clients. However, the policies permit Taika to abstain from voting proxies in the event that the Clients' economic interest in the matter being voted upon is limited relative to the Clients' overall portfolio or the impact of the Clients' vote will not have an effect on its outcome or on the Clients' economic interests.

- Although many proxy proposals can be voted in accordance with Taika's proxy voting guidelines, some proposals will require special consideration, and Taika will make a decision on a case-by-case basis in these situations, including proposals to: eliminate director mandatory retirement policies; rotate annual meeting locations and dates;

grant options and stock to management and directors; and indemnify directors and/or officers.

Where a proxy proposal raises a material conflict between Taika's interests and the interests of the Clients, Taika will seek to resolve the conflict in the best interest of the Clients.

Clients may obtain a copy of Taika's complete proxy voting policies and procedures upon request. Clients may also obtain information from Taika about how Taika voted any proxies on behalf of their account(s).

### **Item 18 – Financial Information**

Taika has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy petition.

A. Balance Sheet

Taika does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

Taika has discretionary authority over the Client's assets. At this time, neither Taika nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

Taika has not been the subject of a bankruptcy petition in the last ten years.

### **Item 19 – Requirements for State-Registered Advisers**

Not applicable.