

Part 2A of Form ADV: Firm Brochure

Item 1 - Cover Page

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The date of this brochure is March 29, 2024.

This brochure provides information about the qualifications and business practices of Sonic GP LLC ("Adviser"). If you have any questions about the contents of this brochure, please contact us at compliance@soniccapital.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about the Adviser is available on the SEC's website at www.adviserinfo.sec.gov.

Any reference to the Adviser as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training.

Item 2 - Material Changes

This brochure includes no material changes since the last amendment to the brochure dated March 31, 2023.

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Item 4 - Advisory Business

Sonic GP LLC ("Adviser," "we" or "us") is a Delaware limited liability company that commenced business operations in or about September 2022. The Adviser is principally owned by Lawrence Kam.

We currently manage only the following private investment fund (the "Fund"):

- The Sonic Fund II, L.P.

We provide discretionary investment advice to the Fund. In the future, we may provide discretionary and/or non-discretionary investment advice to other private investment funds and/or separately managed accounts (collectively with the Fund, "clients").

The Fund is managed in accordance with its own investment and trading objectives, as described in its offering and governing agreements (collectively, "Fund Documents"). From time to time, Sonic will provide certain other advisers (collectively, the "Sub-Advisers") with the authority to make trades on behalf of the Fund. We generally do not permit investors in the Fund to impose limitations on the investment activities described in the Fund Documents.

Under certain circumstances, we may contract with a client to adhere to limited risk and/or operating guidelines imposed by the client. We negotiate such arrangements on a case-by-case basis.

As of December 31, 2023, we managed approximately \$163,592,887 in regulatory assets under management on a discretionary basis. Currently, we do not manage any assets on a non-discretionary basis.

Item 5 - Fees and Compensation

The extent to and specific manner in which our clients are responsible for fees, performance-based compensation and/or expenses are set forth in each client's applicable written agreement with us (and, in the case of clients that are private investment funds, in the Fund Documents for such funds).

In general, we deduct our management fees from the Fund quarterly. We generally receive performance-based fees or allocations from the Fund on an annual basis and upon the distribution of capital (such as a withdrawal by a Fund investor).

The Fund bears all costs and expenses associated with its operations, including, without limitation: operational expenses, including expenses with respect to buying, owning, holding and selling securities and other assets on behalf of the Fund (including, but not limited to, brokerage commissions, custodial fees, and fees/expenses charged by any Sub-Advisers), administrative fees, any expense reimbursement or stipend payable to advisory board members, taxes, legal and auditing fees, costs related to admission of additional

limited partners or general partners, expenses of reproducing and mailing reports to partners, insurance premiums and costs of compliance with the Delaware Revised Uniform Limited Partnership Act, as amended, and any other laws, rules, regulations and orders including, without limitation, federal and state securities laws. In addition, the Fund will pay or reimburse the Adviser for the direct and indirect costs and expenses of the Adviser's registration as an investment adviser (with the SEC and/or with any state securities regulator) (including the fees and expenses of any law firms or compliance consultants assisting therewith), as well as for the ongoing compliance and regulatory costs and expenses incurred by the Adviser, directly or indirectly, in connection therewith (including, without limitation, the cost and expenses associated with the preparation and maintenance of the Adviser's compliance policies and procedures, and code of ethics).

The fees, performance-based compensation and/or expenses that are charged to any clients other than the Fund that we may manage are negotiated on a case-by-case basis. Clients other than the Fund will likely have management fees, performance-based compensation and/or expense arrangements that differ in one or more respects from those applicable to the Fund.

Management fees, performance-based compensation and/or expenses may be reduced or waived in certain circumstances, including, without limitation, with respect to investments in the Fund by our personnel and/or other related persons. Our clients may pay our management fees in advance. Management fees and performance-based fees or allocations are generally not refundable, including upon the termination of the advisory contract.

To the extent that we incur any expenses for the benefit of multiple clients, we generally will allocate such expenses in any manner that we deem equitable, taking into account our written agreements with such clients (and, if applicable, Fund Documents in the case of clients that are Funds) and applicable facts and circumstances, including the relative size of the applicable entity or account, the nature or source of the product or service and the benefits derived from and the extent of use of the product or services. Nonetheless, the portion of an expense that we allocate to a client for a particular product or service might not reflect the relative benefit derived by such client from that product or service in any particular instance. Furthermore, it is possible that under some of our advisory contracts we may not require a client to incur certain expenses, despite the fact that such client will receive a benefit in connection with our incurrence of such expenses. In such an event, our other clients may bear the additional share of any such expenses that would have been allocable to the client that is not required to incur such expenses. Our expense allocations often depend on inherently subjective determinations, but the expense allocations made by us will be in good faith. There may be situations in which the appropriate allocation of expenses in the course of evaluating potential investments may not be clear (for example, if a client and one or more other clients considered making an investment that was not consummated). Expenses will typically be allocated among the clients participating in the relevant investment or potential investment, except to the

extent stated otherwise in the applicable client agreement or Fund Documents. However, in all cases, subject to applicable legal, regulatory, contractual or similar restrictions, we will make expense allocation decisions in our sole discretion in good faith.

We may allocate a portion of certain clients' capital to money market funds, exchange-traded funds or similar fee-bearing products, or private investment funds and accounts that are managed by other investment managers. In that case, such client accounts generally would be responsible for paying any and all fees, performance-based compensation and expenses associated with such products, which would be in addition to those discussed above.

The Adviser and its personnel generally can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of clients and client portfolio investments, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as a client expense typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will exclusively benefit the Adviser and/or such personnel even though the cost of the underlying service is borne by clients. The value of such benefits and perquisites will neither be subject to an offset against fees or expenses payable by clients nor will they otherwise be shared with clients and/or portfolio investments.

For a summary of our brokerage practices, see Item 12 below.

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

As generally described above in Item 5, our clients pay management fees. In addition, we are entitled to receive performance-based compensation (which is based on a percentage of the capital appreciation of client assets or the return on invested capital) from clients. Performance-based compensation may take the form of a performance allocation, performance fee, carried interest or other payment, and is subject to a high-water mark. Fund investors are provided with detailed disclosure in the applicable Fund Documents for the Fund as to how the relevant performance-based compensation is calculated and charged. Performance-based compensation will conform to Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), to the extent applicable.

The terms of the compensation that we receive may differ among the client accounts that we advise. This may result in a conflict of interest when we allocate opportunities among these accounts because we will have an incentive to favor an account from which we are entitled to receive greater compensation over other accounts. To avoid such a conflict of interest we generally follow documented procedures in allocating opportunities among such accounts, which do not take into account the compensation to which such accounts are subject.

We currently manage only the Fund. If we were to have other clients in the future and were to determine that a particular trading opportunity would be desirable for more than one client, we generally seek to allocate such opportunity among such clients in a manner that we deem fair and equitable under the circumstances existing at such time. The factors that we may consider in making such determination include (but are not limited to): the relative amounts of capital in each client's account available for new positions of the type at issue; the mandate of each client account; our perception of the appropriate risk/reward ratio for each client account; the intended objective and strategy of each client account and any applicable investment or risk targets, restrictions or guidelines; the liquidity of each client account at the time of investment and thereafter; the ability to add positions to a client account on a leveraged basis; liquidity of the security; market capitalization and/or enterprise value of the underlying credit; whether the position is an "odd lot"; whether certain accounts would receive nominal or de minimis allocation amounts; transaction costs; position size; industry exposure; market exposure; gross, net, long and short exposure; applicable legal, tax and regulatory considerations; the overall portfolio composition of each client account; and such other considerations that we determine to be relevant at such time. New issues (as defined by FINRA rule 5130) are generally allocated to client accounts in accordance with the criteria set forth above to the extent that such accounts are eligible to participate in new issues.

Notwithstanding the foregoing, there can be no assurance that certain allocation decisions will not directly or indirectly adversely affect our clients, even if such decisions are made in good faith. Allocations are subject to a significant degree of discretion exercised by us, including, but not limited to, in connection with portfolio rebalancing, investing in new, different or additional investment strategies and in connection with admissions and withdrawals of investors to and from the private investment funds that we manage. Even allocations designed to mitigate conflicts do not eliminate the possibility that an allocation of assets will not adversely affect our clients.

We will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, a client solely because we purchase or sell the same security for, enters into a transaction on behalf of, or provides an opportunity to, another client if, in our reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for such other client.

Our personnel and/or other related persons may invest in one or more of our clients. In such case, we may have an incentive to favor client(s) in which they have a greater economic interest and/or may have a conflict of interest in allocating investment opportunities among those client accounts and other client accounts. In order to mitigate these potential conflicts, we will generally follow the documented procedures referenced above.

Management fees and performance-based compensation are based on the net asset value of client accounts. In most circumstances, the valuations of client assets will be based on independent market quotations from relevant counterparties, if available. In making valuation determinations, we may be deemed subject to a conflict of interest, especially with respect to securities or other financial instruments which are not traded on an organized or liquid market, as the valuation of such assets and liabilities affects our compensation and the compensation of our affiliates. There is no guarantee that the value determined with respect to a particular client asset or liability by us will represent the value that will be realized by such client on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment, and the difference between such value and the ultimate disposition price could be material. To the extent we are responsible for valuing a client's assets, we will follow our documented valuation policies in order to mitigate these risks.

Since the amount of fees paid/allocations made to us is dependent in part on the profitability of the applicable client, we may have an incentive to cause clients to make investments that are riskier or more speculative than would be the case if such fees/allocations were not dependent on clients' net asset value and profitability. We recognize that we have a fiduciary duty and as such must act in the best interests of our clients.

Clients and investors in the Funds are urged to review their applicable investment management agreements and/or Fund Documents for information regarding the specific fees, performance-based compensation and expenses applicable to them.

Item 7 - Types of Clients

We currently provide investment advice to clients who are private investment funds. Investors in such private investment funds generally must qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended) and "qualified clients" (as defined in Rule 205-3 of the Advisers Act), and may be subject to other suitability requirements to the extent provided in the applicable Fund Documents. We may provide investment advice to other types of clients in the future.

The minimum initial investment in the Fund is \$1,000,000, subject to the Fund's discretion to accept lesser amounts. We will determine the minimum investment amount (and any other conditions for opening and maintaining an account) for other clients, such as any separately managed accounts, on a case-by-case basis.

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

The Adviser invests on behalf of its clients primarily through the purchase and sale of equity and debt securities, put and call options, and other instruments of the type traded on U.S. exchanges, including the taking of short positions. Although primarily focused on the U.S. equities markets, the Adviser has the flexibility to select the most attractive

investments on a worldwide basis. The instruments in which the Adviser seeks to invest on behalf of clients may include, but will not be limited to, stocks, bonds, options (covered, naked, straddles, spreads), new issues, and currencies.

The development of an investment strategy for each of our clients is an ongoing process. The strategies, techniques and methods described above will therefore be modified by us from time to time and over time. There is no limitation on the investment strategies, techniques, methods or processes which we may adopt for any particular client or the factors that we may take into account in analyzing investments for our clients. Depending on conditions and trends in securities markets and the economy generally, we may pursue other objectives, or employ other strategies, techniques, methods or processes, that we consider appropriate and in the best interest of our clients, without notice to them or their consent, except to the extent that our written agreement with a client may provide otherwise.

The above description of our investment strategies, techniques, methods and processes is intended only as a general overview and is subject to the specific terms of our written agreements with clients.

Risk of Loss

A brief summary of the material risks involved with our significant investment strategies and methods of analysis follows. An investment in a private investment fund and/or separately managed account involves substantial risks, and prospective investors should carefully consider, among other factors, the risks described below. These risk factors are not intended to be an exhaustive listing of all potential risks associated with such an investment. Investors are urged to review the written agreement or Fund Documents applicable to their investment for additional information concerning the risks applicable to them. Investing in securities involves risk of loss that clients and investors should be prepared to bear.

General Investment and Trading Risks. All securities investments present a risk of loss of capital. Volatile financial markets increase that risk. If our evaluation of an investment opportunity should prove incorrect, our clients could experience losses. No guarantee or representation is made that our clients' investment programs will be successful, that clients will achieve their targeted returns or that there will be any return of capital invested to investors. In addition, investment results may vary substantially over time.

Business Dependent upon Key Individual and Individual Judgment. Our operations are dependent upon our portfolio manager, Lawrence Kam. The individual judgment and discretion of Mr. Kam are fundamental to the implementation of our strategies. There can be no assurance that such individual judgment will be accurate, achieve profits or avoid losses. If Mr. Kam were to become unable to directly participate in our management, the consequences may be material and adverse and may lead to the premature termination of our management of client assets.

Reliance on the Sub-Advisers. From time to time, Sonic will provide the Sub-Advisers with the authority to make trades on behalf of the Fund. These Sub-Advisers may have little or no performance history at all, which may increase the speculative nature of their investments. Furthermore, Sub-Advisers with smaller amounts of assets under management may have a more difficult time attracting quality investment and back-office professionals than more established firms.

Investment Analysis. When assessing investment opportunities, the Adviser relies on resources that may have limited or incomplete information. In particular, the Adviser relies on publicly available information and data filed with various government regulators. Although the Adviser expects that it will evaluate information and data as it deems appropriate and will seek independent corroboration when reasonably available, the Adviser will not evaluate all publicly available information and data and is not in a position to confirm the completeness, genuineness or accuracy of the information and data that it evaluates.

As a result, there can be no assurance that the due diligence exercise carried out by the Adviser will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment.

Concentration of Investments. Unless we agree otherwise, a client is not restricted in the amount of its capital that it may commit to any issuer, security, industry sector or geographic region, and at times clients may hold a relatively large concentration in a limited number of issuers, securities, industry sectors and/or geographic regions. Losses incurred in connection with those investments could have a material adverse effect on a client's overall financial condition. This is because the value of a client's investment portfolio will be more susceptible to any single occurrence affecting one or more of those issuers, securities, industry sectors or geographic regions than would be the case with a more diversified investment portfolio.

Equity Securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect trades made by us.

Fixed Income Securities. We expect to trade, on behalf of clients, in bonds and may trade in other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations, or debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities will change in response to fluctuations in interest rates. In addition, the value

of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

We may trade in fixed-income securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult.

Leverage. Leverage may be obtained by borrowing funds to make trades or by purchasing or entering into derivative instruments that are inherently leveraged, such as swaps, options, futures and forward contracts.

If the interest expense on borrowings were to exceed the net return on the positions acquired with borrowed funds, a client's use of leverage would result in a lower rate of return than if the client were not leveraged. If the amount of borrowings which a client may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the client's portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Any gains made with the additional monies borrowed will generally cause the value of the client's assets to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies fails to cover their cost to a client, the value of the client's assets will generally decline faster than would otherwise be the case. The amount of any borrowing may also be limited by regulations imposed by the Federal Reserve Board or by the availability and cost of credit, as well as due to overall market conditions. If, due to market fluctuations or other reasons, the value of a client's assets should fall below required regulatory or counterparty-imposed levels, the client will be required to reduce its debt by selling securities in its long portfolio. A client may also be unable to carry-out its investment program if it is not able to obtain leverage on reasonable terms.

In the case of derivative instruments, because many derivatives are "leveraged," such instruments provide significantly more market exposure than the money paid or deposited when the transaction is entered into and, thus, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a client to the possibility of a loss exceeding the original amount invested.

In addition, in transactions involving derivative instruments, counterparties and lenders will likely require a client to post collateral to support its obligations. Should the securities and other assets pledged as collateral decline in value, or should brokers increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), a client could be subject to a "margin call" pursuant to which it must either

deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a precipitous drop in the value of pledged securities, the client might not be able to liquidate assets quickly enough to pay off the margin debt or provide additional collateral and may suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses. Furthermore, secured counterparties and lenders will generally have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of collateral posted by the client. This could increase exposure to the risk of a counterparty default since, under such circumstances, the client may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral.

We may engage in the trading of options on futures for the account of a client, typically for hedging purposes. If we, on behalf of a client, buy an option (either to sell or buy a futures contract or commodity), the client will be required to pay a "premium" representing the market value of the option. Unless the price of the futures contract or commodity underlying the option changes and it becomes profitable to exercise or offset the option before it expires, the client may lose the entire amount of the premium.

Foreign Investments. We may trade non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the U.S., as well as securities and other instruments of companies having substantial profits and/or revenues generated in non-U.S. currencies. Such transactions require consideration of certain risks not typically associated with trading in U.S. securities or other instruments. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the U.S. or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S., and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. Clients might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect clients' performance.

Call Options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the

opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Put Options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index or Index Options. The value of an index or index option fluctuates with changes in the market values of the securities included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular security, whether clients will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the security market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular securities.

Purchasing Securities of Initial Public Offerings. We may on behalf of our clients purchase securities of companies during their initial public offerings or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the companies and limited operating histories. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for a client to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. In addition, some companies engaged in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

Investing in Private Companies. Investments in private companies are subject to various risks, including the illiquidity of the investment being made. When investing in a private company, there is no market efficiency or testing in order to determine the correct price for shares of the company. Therefore, a client could pay more for shares of a private company than their intrinsic value. Typically, private companies will have very limited reporting obligations, so there may be limited or no information available to investors, such as our clients, regarding, among other things, a private company's business prospects and results of operations. Private companies frequently have less oversight from independent directors, regulatory agencies and others, as well as less seasoned management teams.

Significant Positions; Shareholder Activism. We may on behalf of our clients take significant positions in portfolio companies that result in a client acquiring: (i) more than five percent (5%) of a class of securities of a single issuer which would require the filing of a Schedule 13D or 13G statement with the SEC, or (ii) more than ten percent (10%) of a class of securities of a single issuer (which would impose certain limitations on a client's ability to trade in such securities, including the restrictions of Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act")).

At times a client may engage in proxy contests, takeover bids, shareholder class actions or other litigation, or other activity which may place a client in a high-profile position which is adverse to issuer management and/or other security holders. A client may, as a result of such techniques or otherwise, obtain a controlling or other substantial position in any public or private company. A client may become subject to regulatory proceedings or other litigation.

At various times, the Adviser may agree with unrelated third parties to coordinate investments in activist positions. If any such third parties suffer damage to their reputation, a client may also incur damage to its reputation as a result of the group association. The Adviser may agree with such parties not to purchase and/or sell the applicable securities or related securities without the consent of such parties and may agree with such parties to vote or not to vote such securities in a certain manner. This may result in a client being unable to engage in certain transactions when the Adviser would otherwise deem it desirable. Under U.S. law, the formation of a "group" may result in a client's being deemed to own in excess of ten percent (10%) of an issuer's securities even when a client's position itself is less than ten percent (10%) thereby resulting in "short-swing" transaction reporting and potential forfeiture obligations.

A client's ability to realize value from certain of its positions may depend upon the ability of the Adviser to influence the management of a portfolio company to take certain actions, including, for example, a recapitalization, restructuring, spin-off, sale of the business or change in management. If the Adviser is incorrect in its assessment of the impact such action will have on the value of the portfolio company, or if it is unsuccessful

in persuading the portfolio company's management to take the desired action, a client may sustain a loss on its position.

Exchange Traded Funds ("ETFs"). ETFs are generally structured to invest in all or a representative sample of the securities that generally replicate the price and yield performance of an underlying market index or sector such as a broad stock market, industry sector, domestic or international equity or fixed income, or U.S. or foreign government bond. ETF shares are traded on stock exchanges and markets at open market prices that generally track the net asset value per share of the ETF. Direct issuances and redemption of ETF shares at the ETF's net asset value per share only occur in large blocks (or creation units) transacted between the ETF and authorized institutional purchasers on an in-kind basis. An exchange traded sector fund may be adversely affected by the performance of that specific sector or group of industries on which it is based. International investments may involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, or economic and/or political instability in other nations and/or other factors. Although index-based ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, ETFs may not be able to replicate exactly the performance of the indices because of their expenses and other factors. ETF shares may trade at either a discount or premium to their underlying net asset value. The purchase or sale of ETF shares on the secondary market involves the payment of brokerage commissions, and the purchase and redemption of creation units involves other transaction costs and brokerage commissions. Investors in ETFs also directly bear the ETF's costs associated with its payment of investment management fees and fees for administrative, custodial or other services and thus investors in the clients will indirectly incur an additional layer of fees and expenses.

Counterparty Risk. Some of the markets in which clients effect transactions are "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. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the client has concentrated its transactions with a single or small group of counterparties. We are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Our ability to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by our clients.

Our investment strategies may require the use of transactions that expose clients to the credit of their counterparties, and vice versa. For example, we may seek to borrow

securities intending to sell them short and may enter into long and short derivative positions. All of these transactions, and transactions similar to them, are governed by documents, industry standards, market customs and practices, the parties' prior course of dealing and by the covenant of good faith and fair dealing. At times, and especially in times of market stress, these credit exposures may come under stress, normal business conduct may be interrupted and normal legal protections may prove inadequate or may fail to provide timely relief. Should it become necessary to remove or reduce exposure to a particular counterparty, there can be no guarantee that a satisfactory alternative will be available, or even if one is available, that clients will be able to avail themselves of that alternative. As a consequence, it is possible that any unwinding of the credit exposure may prove costly and thereby damage clients.

Risk of Default or Bankruptcy of Third Parties. We may engage in transactions for clients in securities and financial instruments that involve counterparties. Under certain conditions, clients could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, clients could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which clients do business, or to which securities have been entrusted for custodial purposes. For example, if one of a client's prime brokers or custodians were to become insolvent or file for bankruptcy, a client could suffer significant losses with respect to any securities held by such firm.

Additionally, under U.S. Commodity Futures Trading Commission (the "CFTC") regulations, "futures commission merchants" ("FCMs") are required to maintain customers' assets in a segregated account. If a client's FCM fails to do so, under certain circumstances, such as the inability of another customer of the FCM or the FCM itself to satisfy substantial deficiencies in the other customer's account, the client may be subject to a risk of loss of its assets on deposit with such prime broker. In the case of any bankruptcy or customer loss, a client might recover, even with respect to property specifically traceable to the client, only a pro rata share of all property available for distribution to all of the FCM's customers.

Short Sales. A short sale involves the sale of a security that a client does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the client must borrow the security and the client is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the client. When a client makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss to clients. The extent to which clients will engage

in short sales will depend upon our investment strategy and perception of market direction and the value of individual securities. We may engage in short sales on behalf of clients as a hedge against potential market declines and/or based on its fundamental analysis of the subject issuers.

Changes and Uncertainty in U.S. and International Regulation. Clients may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which they are exposed through their investments or investor base. During this period of uncertainty, market participants may react quickly to unconfirmed reports or information and as a result there may be increased market volatility. This unpredictability could cause us to alter investment and trading plans, including the holding period of positions and the nature of instruments used to achieve clients' investment objectives.

In the United States, we and our clients may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the Financial Stability Oversight Council, and other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. In addition, the securities and futures markets are subject to comprehensive statutes and regulations, including margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (the "Dodd-Frank Act"), and the rules promulgated thereunder could result in us and our clients becoming subject to additional regulatory compliance burdens and trade reporting, which may add significant costs to clients. The Dodd-Frank Act endows the SEC, the CFTC, and other regulators with discretionary authority to write and interpret new rules. The ultimate impact of the Dodd-Frank Act on us and our clients is unclear and will depend in large part on the regulations that the CFTC and SEC promulgate, as well as any legislative changes that may be made. There is speculation that some of the provisions of the Dodd-Frank Act and rules and regulations promulgated thereunder may be revised, repealed or amended. The impact of any such changes is unknown. We do not undertake to update clients or their investors upon such changes or finalization of any such regulations.

Business Continuity. Various force majeure events, including acts of God, natural disasters such as fire, flood or earthquakes, wars, terrorist acts, outbreaks of infectious disease, epidemics, pandemics or other serious public health concerns, cyber-attacks, technology and/or power failures, labor strikes, or geopolitical or other extraordinary, or other unforeseen circumstances or events, may materially disrupt the Adviser's business and operations, or the business and operations of any counterparty or service provider to the Adviser or the clients, and the clients may be adversely affected thereby. For example, if a significant number of the Adviser's personnel were to be unavailable in a force majeure event (such as war, terror attack or an outbreak of infectious disease), the Adviser's ability

to effectively conduct a client's business could be severely compromised. In addition, the cost to clients, the Adviser or its affiliates of repairing or replacing damaged assets or systems resulting from such force majeure event could be considerable. While the Adviser has adopted certain policies and procedures designed to restore and/or continue its business and operations in such situations, there is no guarantee that such policies and procedures will be effective in any of such situations or will be implemented in time, and the clients may be adversely affected thereby.

Market Disruption Events and Geopolitical Risks. Our clients may trade in different markets and different kinds of instrument types. It is possible that as a result of war, terrorist act, natural disaster, outbreak of infectious disease, epidemic, pandemic or other serious public health concern, or geopolitical or other extraordinary or unforeseen circumstance or event (a "Market Disruption Event"), one or more of these markets may cease operating for a limited or indeterminable period of time. In that event, it may be difficult for the Adviser to value the positions that trade in the affected markets, and clients may be exposed to significant movements in the perceived value of instruments without having the ability to trade those instruments.

Additionally, Market Disruption Events may have a substantial effect on economies and securities markets in the U.S. or worldwide, and could materially adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of client investments. Market Disruption Events could also affect the principal prime brokers and custodians that carry and clear clients' trades and positions. The inability of key marketplace intermediaries to function could have an adverse impact upon liquidity as well as the ability of clients to trade their positions. Market Disruption Events could also have a direct physical impact upon clients' and/or the Adviser's operations, including the destruction of their facilities and/or incapacity or loss of life to key personnel.

The inability to predict the timing, location, source and severity of such event or events makes it difficult to provide assurances that clients would not suffer material adverse consequences should a Market Disruption Event occur.

Changes in Investment Strategy. We have considerable discretion in choosing the securities that may be acquired and have the right to modify the investment strategy, selection criteria, or hedging techniques used by a client without the consent of the client, unless provided otherwise in our written agreement with such client. Any of these new investment techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings, which could result in unsuccessful investments and, ultimately, losses to clients. In addition, any new investment strategy or hedging technique developed may be more speculative than earlier techniques and may increase the risk of loss by clients.

Fees and Expenses. Investors in the Fund pay, directly or indirectly, certain fees and expenses. The Fund has its own operational expenses, the Firm is paid a management fee,

and, in certain cases, the Firm may also receive an incentive/performance fee. The Fund will also bear fees and expenses charged by the Sub-Advisers. The fees and expenses paid by the Fund, directly or indirectly, may be substantially greater than for other investment entities. Certain fees and expenses are paid, regardless of whether the Fund experiences gains.

Item 9 - Disciplinary Information

There are no legal or disciplinary events that would be material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 - Other Financial Industry Activities and Affiliations

As described above in Item 4, the Adviser is principally owned by Lawrence Kam.

We and our affiliates are subject, and each of us and our clients are exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on our clients (and on investors in the Funds). However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of any client. When a conflict of interest arises, we will endeavor to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with our fiduciary duties to the relevant client(s). We have in place policies and procedures that we believe are reasonably designed to identify and resolve actual and potential conflicts of interest. However, there can be no assurance that these policies and procedures will be successful in identifying or mitigating all actual or potential conflicts of interest.

Our management of clients may result in conflicts of interests when we and our related persons allocate time and investment opportunities among our clients (including clients in which we or our related persons may be invested). In addition, terms regarding fees and performance-based compensation may differ among our clients. This may result in a conflict of interest when we allocate opportunities among our clients because we have an incentive to favor clients that have higher fee and/or performance-based compensation arrangements as well as clients in which we or our related persons have invested. To avoid such conflicts of interest we generally follow documented procedures in allocating opportunities among such accounts, which do not take into account the fees or performance-based compensation to which such clients are subject or the investment in such clients by us or our related persons.

The Adviser and its principal and affiliates may determine, in their sole discretion, to participate in investments with persons not affiliated with our clients. In addition, we may offer certain clients, or to any third party, the opportunity to co-invest in opportunities in which a client has invested or that become available to a client. We may offer such opportunities to investors that we select in our sole discretion without notice to or the consent of any other client or investor. The economic and other terms of any co-

investment will be determined by us in our discretion on a case-by-case basis, and we may receive fees and/or allocations from co-investors, which may differ among co-investors and also may differ from the fees and/or allocations borne by our clients (or investors in the Funds).

Certain advisors and other service providers, or their affiliates, to our clients may also provide services to or have business, personal, familial, political, financial or other relationships with us or our affiliates. Such advisors and service providers may be our clients or investors in the Funds, sources of investment opportunities for us or our clients, or co-investors with or counterparties to transactions involving the foregoing. These relationships may influence us in deciding whether to select or recommend any such advisor or service provider to perform services for our clients (the cost of which will generally be borne directly or indirectly by such clients). Notwithstanding the foregoing, we will generally seek to engage advisors and service providers for our clients on the basis of, without limitation, the overall quality of advice and other services provided.

In addition, we have a conflict of interest where a service provider (*e.g.*, legal counsel or accountants) provides services directly to us or one of our affiliates, and separately provides services to one or more clients, in that we or our affiliates may potentially obtain services at a lower cost (or obtain other terms that are more beneficial) than we or our affiliates otherwise could have as a result of the service provider's work performed on behalf of, and the compensation paid to the service provider by, such clients. In particular, unless inconsistent with our applicable written client agreement, costs associated with services rendered to the benefit of a client may be borne by such client. We and our affiliates may use some of the same service providers as are retained on behalf of one or more clients and, in some cases, fee rates, amounts or discounts may be offered to us and our affiliates by a third-party service provider which differ from those offered to a client as a result of scheduled or ad hoc rate changes, differences in the scope, type or nature of the service or transaction, alternative fee arrangements and negotiation.

Officers, members, partners, affiliates and employees of the Adviser and its affiliates may make personal investments in certain issuers or serve as directors or officers of certain issuers in which a client invests and, in those capacities, may be required to make decisions that they consider to be in the best interests of their investments or such companies. In certain circumstances, for example, in situations involving the bankruptcy or near-insolvency of a company, actions that may be in the best interest of the issuer or in connection with a personal investment may not be in the best interest of a client, or actions that may be ultimately found to be in the best interest of a client may not be in the best interest of the issuer or in connection with a personal investment. In these situations, there may be conflicts between an individual's duties as an officer, affiliate or employee of the Adviser or its affiliates and such individual's personal investments or duties as a director or officer of the issuer. To avoid conflicts, including those described above, personal investment transactions and outside directorships by partners, members, officers and employees of the Adviser and its advisory affiliates are subject to

the Adviser's written policies and procedures and its Code of Ethics (as defined below in Item 11), which are designed to, among other things, mitigate conflicts of interest and to detect and prevent misuse of material non-public information. In addition to certain trading restrictions, the personal investment transactions of the Adviser's employees are monitored and, in some cases, pre-cleared, to the extent required by the Code of Ethics.

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

We have adopted a Code of Ethics (the "Code of Ethics") which provides that we are committed to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to our clients, and that we must conduct our business in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs all personal investment transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Under our Code of Ethics, we place certain restrictions on the personal trading activities of our employees and their immediate family members. For example, our employees may participate in initial public offerings and limited offerings, such as hedge funds, private equity funds or other types of private offerings, subject to pre-clearance procedures. In addition, it is possible that our employees may invest in the same securities (or related securities, such as warrants, options or futures) that we recommend to clients. As a result of differing trading and investment strategies or constraints, positions taken by our employees can be the same as or different from, or made contemporaneously or at different times than, positions taken for our clients. As these situations involve potential conflicts of interest, our Code of Ethics is intended to identify and prevent actual conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. For example, our employees are required to disclose their personal securities holdings on an initial and annual basis, and their personal securities transactions quarterly, which requirements are designed to address potential conflicts of interest that might interfere or appear to interfere with making decisions in the best interest of our clients.

Subject to applicable law, we may effect transactions between clients (generally for rebalancing purposes and to correct misallocations of trades) where one client will purchase securities from another client (including a private investment fund or account in which we, our affiliates, principals or employees may have a significant interest). Such transactions (*i.e.*, cross trades) will be effected only when we believe that such transactions are in the best interest of the applicable clients. Such transactions will be

placed through an unaffiliated broker-dealer or custodian, will not involve any accounts subject to ERISA, and will be effected for cash consideration, at prices that reflect prevailing market conditions. In addition, no brokerage commission or transfer fee will be paid to us or our affiliates in connection with any such transaction. Any transaction costs incurred in connection with any such transaction will be shared *pro rata* between the applicable clients.

In the event that we effect a cross trade between an account in which we or our principal owns more than twenty-five percent (25%) and a client account, such transaction may be deemed to be a principal transaction under the Advisers Act. Such transactions would create a conflict of interest for us because we may put our or our principal's interests in such accounts before the interests of our client in the other account. We will not effect any cross trades between accounts if we believe that such trade would result in a principal transaction, unless:

- 1) We believe that such transaction is in the best interest of the clients participating in the transaction; and
- 2) We obtain the consent of the applicable clients to the extent required under the Advisers Act.

We may buy or sell securities for one client at the same time that we or our related persons buy or sell the same security for one or more other clients (including Funds which are our related persons). This will typically happen when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. This may create a conflict of interest if one account may benefit from making the trade before or after the other account. We will generally seek to aggregate trades, as described below in Item 12 under "Aggregation of Orders," to avoid any such conflict of interest.

Item 12 - Brokerage Practices

Selection of Brokers

In placing portfolio transactions for our clients, we seek to obtain the best execution for clients' accounts, taking into account the following factors (without limitation): the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our selection criteria.

We have adopted policies and procedures intended to seek best execution on an ongoing basis for securities transactions, based upon the aforementioned factors. We periodically evaluate the execution performance of the broker-dealers we use to execute client transactions. We also evaluate, and seek to resolve, any conflicts of interest that we may have in selecting brokers to execute client transactions.

Research and Other Soft Dollar Benefits

Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements pose a conflict of interest for us in that such arrangements allow us to pay with client commissions expenses that would otherwise be borne by us. In the event that we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, we would receive a benefit because we do not have to produce or pay for the research, products or services. We believe that this conflict is mitigated because our clients will generally pay for research as a “hard dollar” expense pursuant to their respective investment management agreements. We may have an incentive to select a broker based on our interest in receiving the research or other products or services offered by such broker, rather than on our clients’ interests in receiving most favorable execution.

We execute securities transactions on behalf of client accounts with broker-dealers that provide us with access to proprietary research reports (such as standard investment research and credit reports). To our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by client accounts or the volume of business that we direct to such broker-dealers.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We have not committed to provide any level of brokerage business to any broker to date, and actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

In the event that we engage in soft dollar transactions, we intend to comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for our clients, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services (collectively, “Research”) provided by such brokers. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by

such broker, our clients may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research that we acquire from brokers may include, among other things, proprietary research, which may be written or oral. Research products that we acquire from brokers may include, among other things, databases and quotation services, and Research services may include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, pricing data and availability of securities, financial publications, electronic market quotations, performance measurement services, analyses concerning specific securities, companies, industries or sectors, market, economic and financial studies and forecasts, appraisal services, and invitations to attend conferences or meetings with management or industry consultants. We may in the future acquire other Research with client brokerage commissions in accordance with our policies and procedures.

Research provided by brokers may be used to service all client accounts and not exclusively in connection with the management of the client account that generated the particular soft dollar benefit.

Where a product or service obtained with client commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with client commission dollars.

Our prime broker(s) generally provide us with certain front and back-office services, such as trading, securities lending, clearing, reporting and settlement for equities, fixed income, foreign currency and options, among other services. Subject to applicable law, our prime brokers may also provide us with capital introduction services. Our clients will pay fees to the prime brokers in accordance with the fee schedules negotiated with such prime brokers.

Brokerage for Client Referrals

Subject to applicable law, we may direct some client brokerage business to brokers who refer prospective investors to the private investment funds we manage, consistent with best execution. Because such referrals, if any, are likely to benefit us but will provide an insignificant (if any) benefit to our clients, we have a conflict of interest with our clients when allocating client brokerage business to a broker who has referred investors to us. To prevent client brokerage commissions from being used to pay investor referral fees, we will not allocate client brokerage business to a referring broker unless we determine in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to the client account.

Trade Errors

Subject to applicable law and the terms of our written agreements with clients, our clients will: (i) be responsible for any losses resulting from trading errors and similar human errors, absent our willful misconduct or gross negligence, which, for the avoidance of doubt, will not include errors in judgment or mistakes made in good faith, in the performance of our obligations and duties (or those of our affiliates or personnel) in respect of our clients, and (ii) receive the gain from such trading errors, as the case may be.

We face a potential conflict of interest because, should a trade error occur, generally we (and not an independent third party) would be the party that determines whether such trade error resulted from our willful misconduct or gross negligence. However, notwithstanding this potential conflict of interest, in all cases, we would make such determination in good faith.

We may correct misallocations of trades among client accounts by re-allocating the applicable trade using the intended allocation methodology prior to the trade's settlement date. If an erroneous allocation cannot be corrected prior to or after settlement, we may, if appropriate and subject to applicable law, correct such erroneous allocation by effecting a cross trade between client accounts at the price at which the initial trade was effected.

Aggregation of Orders

In the event that we have more than one client, we intend to generally aggregate client trades, subject to best execution. Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for us generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. In such event, securities purchased or sold will generally be allocated among client accounts on an average price basis. When an aggregated order is only partially filled, we will allocate the investment opportunity as described above in Item 6.

Clients may pay more to the extent that we do not, or are unable to, aggregate trades, as seeking to place separate, non-simultaneous transactions in the same security for multiple clients may negatively affect market price, transaction commissions and/or trade execution. A client's nonparticipation in bunched trades may result in lost opportunities to purchase securities for such client's account that other clients participating in bunched trades were able to purchase.

Our brokerage practices, including our ability to receive soft dollar benefits or to enter into soft dollar arrangements or similar arrangements, as described above, may differ for certain clients based on the client's applicable written agreement with us.

Item 13 - Review of Accounts

Client accounts are typically reviewed by the Chief Compliance Officer on a continuous basis for conformity to the objectives and risk criteria applicable to such accounts, and compliance with any applicable investment guidelines and restrictions.

Investors in the Funds generally will receive a quarterly account statement and audited financial statements on an annual basis. We also typically distribute tax reports to investors in the Funds.

We may enter into agreements ("side letters") with one or more Fund investors that result in investment terms that differ from the terms applicable to other investors in such Fund, including, without limitation, with respect to fees, performance-based fees or allocations, and/or withdrawal terms. In addition, pursuant to side letters, we may provide particular investors with more frequent and/or more detailed information regarding a Fund's positions, performance, finances, and management and/or other information about such Fund or us (including, notification of senior employee departures, the commencement of disciplinary actions, legal proceedings, investigations or similar matters, or redemptions from the Funds by us, our affiliates and/or our respective personnel), possibly enabling such investors to better assess the prospects and performance of the Funds. As a result of such side letters, certain investors may receive additional rights and/or information that other investors will not necessarily receive. Subject to applicable law and contractual arrangements, we do not intend to disclose the terms of side letter agreements or other arrangements and do not intend to disclose the identities of the investors that have entered into such agreements with the Funds or us. We will not be required to offer such additional or different rights and terms to any or all other investors.

We may provide certain additional information to any investor, or prospective investor, in a Fund (or to any of our clients or prospective clients) who requests such information. This information may be provided in response to questions and requests and in connection with due diligence meetings and other communications but will not be distributed to other investors and prospective investors (or other clients or prospective clients) who do not request such information. Such information may affect a prospective investor's (or prospective client's) decision to invest, and investors and clients (which may include our personnel, affiliates and/or related persons) who receive such additional information may be able to act on such additional information and redeem their investments potentially at higher values than other investors (or clients). Each investor and client is responsible for asking such questions that it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

We may provide clients with reports in such forms and at such times as such clients and we may agree.

The custodians of any separately managed accounts that we manage may send account statements to the owners of such accounts. In general, since a separately managed account client would directly own the positions in its account, such client may have full, real-time transparency as to all transactions and holdings in such account, and may be better able to assess the future prospects of a portfolio that is substantially similar to the portfolios of the private investment funds managed by us. Separately managed account clients may have the right to withdraw all or a portion of their capital from such accounts on shorter notice and/or with more frequency than the terms applicable to an investment in the private investment funds that we manage.

Item 14 - Client Referrals and Other Compensation

Other than as described above in Item 12, we do not receive any economic benefits from non-clients in connection with the provision of investment advice or other advisory services to our clients.

If a client is introduced to us by a third-party placement agent, we and/or our affiliates may pay that placement agent a referral fee in accordance with the requirements of Rule 206(4)-1 under the Advisers Act to the extent applicable. Any such referral fee will be paid solely by us or our affiliates and will not result in any additional charge to the client, unless the client agrees otherwise in its applicable written agreement with us. Placement agents are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. This conflict applies as well to nominees that are compensated in connection with the investment of their clients' assets with us or in the private investment funds that we manage.

Item 15 - Custody

Client funds and securities are maintained by qualified custodians to the extent required by Rule 206(4)-2 under the Advisers Act. However, for purposes of the Advisers Act, we may be deemed to have custody of certain client assets. The owners of any separately managed accounts over which we have custody will receive account statements from the custodians for such accounts and are urged to carefully review those statements. To the extent that such account owners are to also receive account statements from us (which currently is not expected), they are urged to compare those statements with the statements that they receive from their custodians.

Item 16 - Investment Discretion

We have discretionary authority to manage securities accounts on behalf of our clients. Clients give us this discretionary authority when they enter into a written agreement with us. The investors in the private investment funds managed by us generally may not place any limits on our authority beyond the limitations set forth in the Fund Documents for such private investment funds.

On a case-by-case basis, clients other than the Funds may negotiate certain risk and/or operating guidelines that we will adhere to when exercising our discretionary authority over such accounts.

Item 17 - Voting Client Securities

We have the authority to vote proxies on behalf of the Funds. We may be delegated the authority to vote proxies for other client accounts to the extent provided in a written agreement with a particular client.

We have adopted proxy voting policies and procedures that are designed to ensure that in cases where we vote proxies with respect to client securities, such proxies are voted in the best interests of such clients, and that any material conflict of interest between our interests and the interests of our clients will be resolved in a manner that is consistent with the best interests of clients and in a manner not affected by such conflict of interest.

To the extent that we are authorized to vote proxies for a client account, invest in a security for a client account for which a proxy vote may arise and receive timely notice of such proxy from the client's custodian, we will be guided by general fiduciary principles and will seek to act in a manner intended to enhance the overall economic value of the applicable security. There may be times (which may be frequent) when we are authorized to vote proxies for a client account and determine that refraining from voting is in the best interest of that client. For example, we may refrain from voting a client proxy when (without limitation): (i) the economic effect on shareholder's interests or the value of the portfolio holding is indeterminable or insignificant; (ii) voting the proxy would unduly impair the investment management process; or (iii) the cost of voting the proxies outweighs the benefits or is otherwise impractical. In addition, we may abstain from voting a proxy on behalf of our clients' accounts due to (1) de minimis holdings; (2) de minimis impact on the portfolio; (3) contractual arrangements with clients; (4) their authorized delegates or the failure of a proxy to provide sufficient information to allow for informed decision making; and/or (5) items relating to non-U.S. issuers (such as those described below). We may refrain from voting a proxy of a non-U.S. issuer due to logistical considerations that may have a detrimental effect on our ability to vote the proxy. These issues may include, but are not limited to: (a) proxy statements and ballots being written in a foreign language; (b) untimely notice of a shareholder meeting; (c) requirements to vote proxies in person; (d) restrictions on non-U.S. person's ability to exercise votes; (e) restrictions on the sale of securities for a period of time in proximity to the shareholder meeting (*e.g.*, share blocking); or (f) requirements to provide local agents with power of attorney to facilitate the voting instructions.

To the extent that we have discretion to participate in class action lawsuits filed against companies or issuers in which our clients are invested, we may participate in such class action lawsuit if we believe that such participation is in the best interest of our clients on a case-by-case basis.

We may engage a third-party proxy voting service to vote proxies on behalf of clients and in such case, we may, when it is believed to be in the best interest of clients, adopt such third-party's proxy voting policies and guidelines; the cost of any such third-party proxy voting service may be borne by such clients, as applicable. If engaged, we generally expect that we would vote with the advice of the third-party proxy voting service whose recommendations are intended to be in the best economic interest of investors; however, we may override any recommendation of such proxy voting service that we do not believe is in the best interest of our clients.

In the event that we do not accept proxy voting authority over a client's securities, we generally will not accept questions about particular solicitations from such client, who should contact its custodian to coordinate receipt of proxies and other solicitations directly from the custodian.

We currently do not permit clients to direct our vote in a particular solicitation. We may enter into arrangements with clients or other investment managers pursuant to which such clients or managers have responsibility to vote proxies according to their own policies and procedures or wishes (such as in the event that we advise a separately managed account or act as a sub-adviser to a private investment fund managed by a third-party manager).

A client may obtain a copy of our proxy voting policy and procedures upon request, as well as information about how we voted the client's securities, by contacting us at the address on the cover page of this brochure.

Item 18 - Financial Information

Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

Item 19 - Requirements for State-Registered Advisers

Not applicable.