

Slotnik Capital, LLC

Part 2A of Form ADV

Firm Brochure

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ITEM 1: COVER PAGE

This Brochure provides information about the qualifications and business practices of Slotnik Capital, LLC (“*Slotnik*”, the “*Firm*”, “*we*”, “*us*”, or “*our*”). Information provided herein is provided in response to instructions and guidance issued in connection with Form ADV Part 2A. You should refer to those materials, including defined terms used therein, in reviewing this brochure. If you have any questions about the contents of this brochure, please contact Loren Sauer at (214) 462-9203 or lsauer@slotnikcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “*SEC*”) or by any state securities authority.

Additional information about Slotnik is also available on the SEC's website at www.adviserinfo.sec.gov. An investment adviser's registration with the SEC does not imply a certain level of skill or training.

Important Note About This Brochure

This Brochure is not:

- an offer or agreement to provide advisory services to any person;
- an offer to sell interests or a solicitation of an offer to purchase interests in any investment product by Slotnik;
- a complete discussion of the features, risks or conflicts associated with any account advised by Slotnik; or

As required by the Investment Advisers Act of 1940, as amended (the “*Advisers Act*”), Slotnik provides this Brochure to current and prospective clients.

Persons who receive this Brochure (whether or not from Slotnik) should be aware that it is designed solely to provide information about Slotnik as necessary to respond to certain disclosure obligations under the Advisers Act. Therefore, the information in this Brochure may differ from information provided in the materials that govern an account or client relationship such as an advisory contract.

In no event should this Brochure be considered to be an offer of, or agreement to provide, advisory services directly to any recipient.

ITEM 2. MATERIAL CHANGES

The following is a discussion of material changes to Slotnik's Brochure since the Firm's most recent filing in April 2023, which followed its provisional registration filing in January 2023.

- Item 4: Advisory Business has been updated to reflect regulatory assets under management generally as of December 31, 2023, all of which were managed on a discretionary basis, and to add detail regarding the Firm's Relying Adviser.
- Item 10: Other Financial Industry Activities and Affiliations has been updated to include detail on the Firm's Relying Adviser and the Firm's exemption from registration as a commodity pool operator under applicable CFTC regulation.
- Item 17: Voting Client Securities has been updated to include additional detail on the Firm's proxy voting policy and procedures.

All clients and investors are encouraged to review this document in its entirety. The information set forth in this Brochure is qualified in its entirety by the applicable agreements or other documents entered into with each client (including those entered into with respect to any private fund). In the event of a conflict between the information set forth in this Brochure and the information in the agreements or other documents entered into with any client (including those entered into with respect to any private fund), those agreements or other documents shall control.

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ITEM 4. ADVISORY BUSINESS

FIRM DESCRIPTION

Slotnik Capital, LLC, founded in 2022, is a Delaware limited liability company and an investment advisor based in Dallas, Texas. Slotnik provides investment management services to private pooled investment vehicle Slotnik Merger Arbitrage, LP (the “**Fund**” or “**Client**”), a Delaware limited partnership.

Interests in the Fund are offered to eligible investors on a private placement basis. We have full discretionary authority with respect to the investment decisions of the Fund. Our investment advisory services are provided in accordance with the investment objectives and guidelines set forth in the Fund’s offering and governing documents. The information set forth in this brochure is qualified in its entirety by the Fund’s offering and governing documents. Sophzac, LLC, a Delaware limited liability company (the “**General Partner**”), is the general partner of the Fund. The General Partner is an affiliate of the Firm’s and a Relying Adviser (the “**Relying Adviser**”). Slotnik and the Relying Adviser have together filed a single Form ADV, are subject to a unified compliance program administered by a single Chief Compliance Officer and hold themselves out to current and potential investors as conducting a single advisory business. References in this Brochure to Slotnik shall include the Relying Adviser, as appropriate.

PRINCIPAL OWNERS

The Firm is wholly owned and controlled by Charles B. Slotnik (the “**Principal**”). The Principal is additionally the sole member and sole manager of the General Partner.

TYPES OF ADVISORY SERVICES

Slotnik serves as investment manager to the Fund, primarily with respect to investments in publicly traded global equity and equity-related securities and opportunistic investments in debt securities. The Fund is currently the Firm’s only advisory client. Slotnik is responsible for investing and re-investing the capital of the Fund in accordance with the investment objectives, policies, and guidelines set forth in the Fund’s offering and governing documents. See “**Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.**”

INVESTMENT RESTRICTIONS

We generally provide investment advice to the Fund in accordance with the investment objectives, policies, and guidelines set forth in the Fund’s offering and governing documents, and not in accordance with the individual needs or objectives of any particular investor in the Fund. Investors generally are not permitted to impose restrictions on investments in certain securities or types of securities or limitations on the management of the Fund. At its discretion, the Fund may enter into agreements (“**Side Letters**”), with certain prospective or existing investors, including with an Initial Strategic Investor, as described further below in Item 5, whereby such investors may be subject to terms and conditions that are more advantageous than those in the Fund’s offering and governing documents. For example, such terms and conditions may include reduced fees.

Interests in the Fund are privately offered only to eligible investors pursuant to exemptions under the Securities Act of 1933, as amended (the “Securities Act”), and the regulations promulgated thereunder. The Fund is not and will not be registered with the Securities and Exchange Commission (the “SEC”) as an investment company based on a specific exclusion from the definition of investment company under the Investment Company Act of 1940, as amended (the “Company Act”).

ASSETS UNDER MANAGEMENT

As of December 31, 2023, the firm has approximately \$331 million in regulatory assets under management. All assets are managed on a discretionary basis.

ITEM 5. FEES AND COMPENSATION

DESCRIPTION OF COMPENSATION AND FEE SCHEDULE

In consideration of our advisory services, we and/or one of our affiliates generally receive management fees and incentive allocations or fees with respect to the Fund. While our fees are described in detail in the applicable governing and offering documents, a brief summary of our advisory fees is set forth below.

Management Fees

With respect to the Fund, we generally receive a management fee at an annual rate of 1.0% of the balance of each limited partner's capital account. The management fee is calculated and paid each calendar month in advance.

Incentive Allocations and Fees

Slotnik SLP, LP, a Delaware limited partnership and an affiliate of the Firm and the General Partner (the “*Special Limited Partner*”), is entitled to a performance-based profit allocation (the “*Performance Allocation*”) at the end of each calendar year (and/or at certain other times discussed below) equal, generally, to 16% of the amount by which, generally, the Fund's net profits allocated to a limited partner's capital account for the current calendar year exceeds the balance in such limited partner's Carryforward Account (as defined in the Fund's offering and governing documents). Net profit includes unrealized appreciation or depreciation of both marketable and non-marketable investments.

Each investor in the Fund generally is required to represent that it is a “qualified purchaser,” as such term is defined in Section 2(a)(51)(A) of the Company Act.

Our advisory fees generally are not negotiable. However, we may enter into side letters or similar arrangements with certain investors that grant different terms (including the reduction or elimination of certain fees) to such investors than the terms generally applicable to other investors.

PAYMENT OF FEES

Management fees generally are payable by investors monthly, in advance, as of the first day of each calendar month. Management fees are deducted directly from the capital account or participating shares, as applicable, of an investor, and are typically deducted directly from the Fund's custodian(s) account(s), in accordance with the Fund's authorization provided in the custodial agreement.

Performance allocations or fees are calculated and allocated or paid as of the end of each fiscal year (and at such other times as set forth in the governing documents of the Funds). With respect to the Fund, performance allocations are allocated directly from each capital account of a limited partner to the Special Limited Partner.

OTHER FEES AND EXPENSES

In addition to management fees and performance allocations, the Fund generally bears its own expenses, including, but not limited to, investment expenses (i.e., expenses related to the investment of the Fund's assets, including, without limitation, data, clearance, exchange, structuring, administrative, legal, tax, audit and technology fees, brokerage commissions, custody fees, interest and other borrowing charges, professional and legal expenses relating to particular investments and other expenses reasonably related to the investment decision and monitoring process), expenses from derivatives transactions, taxes, insurance premiums, legal expenses, regulatory expenses, the costs of brokerage services and research (including, without limitation, news, quotation, statistics and pricing services; software, databases and other technical and telecommunications services and equipment used in the investment management process; and other consulting fees in connection with investigating and monitoring potential and existing investments), accounting, audit and tax preparation expenses, the administrator's fees, other expenses associated with the operation of the Fund, organizational expenses and expenses incurred in connection with the offering and sale of interests or shares and all extraordinary expenses.

The Funds generally are responsible for and pay all brokerage and custodial fees. A portion of the commissions generated on the Fund's brokerage transactions may generate "soft dollar" credits that the General Partner and the Firm are authorized to use to pay brokers and other providers for research and other research related services and products used by the General Partner and the Firm. See "**Item 12: Brokerage Practices**" below for more information on how we select or recommend brokerage firms for securities transactions and information related to that process.

Fund expenses generally are borne *pro rata* by the limited partners in the Fund in accordance with their respective capital account balances.

Each of the General Partner and the Firm, as applicable, shall be entitled to reimbursement from the Fund for any of the fund expenses paid by it on behalf of the Fund. The Fund does not have its own separate employees or office, and it does not reimburse the General Partner or the Firm for salaries, office rent, and other general overhead costs of the General Partner or the Firm.

WITHDRAWALS AND REDEMPTIONS

Subject to the terms and conditions set forth in the applicable governing documents, an investor generally may make a complete or partial withdrawal or redemption, as applicable, as of the last day of each calendar month; provided that partial withdrawals or redemptions must be at least \$1,000,000, unless such requirement is waived. Notice of any withdrawal or redemption generally must be given in writing at least thirty (30) calendar days prior to the proposed withdrawal or redemption date. Partial withdrawal or redemption proceeds generally will be distributed to a withdrawing or redeeming investor within fifteen (15) business days after the applicable withdrawal date. In the case of an investor's complete withdrawal of the balance of its capital account, generally, at least ninety-five percent (95%) of the estimated withdrawal or redemption proceeds will be settled within thirty (30) business days of the applicable withdrawal or redemption date. Any remaining balance will be settled promptly after the completion of the audit of the Fund's financial statements for the applicable fiscal year. Any distribution from the Funds may be made

in cash or in-kind, or in combination thereof, at the discretion of the Firm.

Performance fees or allocations with respect to the Fund are calculated as of the date of withdrawal or redemption with respect to any investor permitted or required to withdraw or redeem as of any time other than the close of a fiscal year on the basis of a proportion of the net capital appreciation allocated to such investor through the withdrawal or redemption date.

Withdrawal and redemption rights may be suspended under certain circumstances, as described in the applicable offering and governing documents.

INITIAL STRATEGIC INVESTOR

The General Partner, the Firm, and the Fund have entered into an arrangement with an Initial Strategic Investor, whereby the Initial Strategic Investor has made a significant contribution to the Fund. In exchange for the significant contribution by the Initial Strategic Investor, such investment is subject to a reduced Management Fee and Performance Allocation and the Initial Strategic Investor will receive a portion of the fees earned on third party capital invested in the Fund. Further, a significant withdrawal of capital by the Initial Strategic Investor from the Fund could require the Fund to liquidate investments more rapidly than otherwise desirable to raise the necessary cash to fund the withdrawals and to achieve an investment allocation appropriately reflecting a smaller portfolio. This may cause a temporary imbalance in the Fund's portfolio, which may adversely affect the remaining limited partners.

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

PERFORMANCE-BASED ALLOCATIONS

As noted under “Item 5: Fees and Compensation” above, one of our affiliates generally is entitled to receive an incentive allocation with respect to the Fund. An incentive allocation could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. Our individual employees and affiliates who are compensated to some extent based upon trading profits for which they are responsible face the same potential conflict. Because the incentive allocation is calculated on a basis that includes unrealized appreciation in a Fund’s portfolio based upon values assigned by us, we face a conflict of interest in valuing the Fund’s portfolio. We address these conflicts through full and fair disclosure in the Fund’s offering and/or governing documents and/or this brochure.

SIDE-BY-SIDE MANAGEMENT

We currently do not manage accounts for which we are entitled to receive performance-based fees or allocations alongside accounts for which we are not entitled to receive any performance-based fees or allocations.

ITEM 7. TYPES OF CLIENTS

TYPES OF CLIENTS AND INVESTORS

We only provide discretionary investment advisory and supervisory services to our affiliated private pooled investment vehicle, the Fund. Slotnik does not have a separate client relationship with investors in the Fund.

ACCOUNT REQUIREMENTS

The minimum initial subscription generally required for an investor is \$2,000,000, although subscriptions of lesser amounts may be accepted in our discretion.

Each investor in the Fund generally must be, among other things, an (i) “accredited investor,” as such term is defined in Rule 501(a) of the Securities Act, and (ii) a “qualified purchaser,” as such term is defined in Section 2(a)(51)(A) of the Company Act. In addition, each prospective investor generally is required to complete and return various subscription documents to the Fund, which are designed to provide the Fund, us, and our affiliates and agents with important information about the prospective investor. Subscriptions may be accepted or rejected, in whole or in part, in the sole discretion of the General Partner or the Firm.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The Fund's primary investment objective is to generate high risk-adjusted returns primarily through event-driven strategies that focus on investments in publicly traded global equity and equity related securities, supplemented by opportunistic investments in debt securities. The Fund also may invest across a mix of arbitrage and other strategies that are generally uncorrelated with equity market indices.

We dynamically allocate the Fund's capital across a range of arbitrage and event-driven investment strategies as opportunities become apparent in different economic cycles. We invest the Fund's assets primarily in equities and equity-related securities, opportunistically adjusting exposures and position sizes. The primary strategies we pursue include, but are not limited to, merger arbitrage, event-driven strategies, bankruptcy reorganizations, capital structure arbitrage, distressed/high yield debt, long/short equity, and other event-driven investments.

The Fund has the power to borrow and utilize other forms of leverage and may do so when we deem appropriate, including in an effort to enhance the Fund's returns and meet withdrawal or redemption requests which would otherwise result in the premature liquidation of investments. The use of leverage can increase the negative impact of events that adversely affect the value of an investment. While there is no upper or lower limit on the amount of leverage the Fund may use, the Fund's long market value is generally expected to vary between 1.0 and 3.0 times the Fund's net asset value.

We will reassess investments over time to manage the risk/reward profile of the portfolio. Moreover, as new investment opportunities arise, positions may be replaced in order to expose the portfolio to the investments we believe are the most desirable.

For more information regarding our investment strategies and methods of analysis, please refer to the applicable offering memorandum. The foregoing summary is qualified in its entirety by the information contained in the applicable offering document.

CERTAIN RISK FACTORS

There can be no assurance that we will achieve our investment objectives. Our investment strategies involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that an investment in the Fund is or will be low risk or risk free. Our investment strategies and programs are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. Prospective investors should consider the following risks, among others, before making any investment decisions. The various risks outlined below are not the only risks associated with our investment strategies and processes. The following risks are qualified in their entirety by the risks set forth in the applicable offering documents.

Securities Investment Risk. All securities investments risk the loss of capital. No guarantee or

representation is made that our investment program will be successful. Our investment program involves, without limitation, risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedge positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Fund's activities. Certain investment techniques can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject. In addition, the Fund's investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets in which the Fund invests its assets.

The Fund's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Equity Risk. The Fund primarily invests in equity and equity-related securities. The value of these securities generally varies with the performance of the issuer and movements in the equity markets. As a result, the Fund may suffer losses if it invests in equity securities of issuers whose performance diverges from our expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move.

Leverage. We utilize leverage in investing the Fund's assets including engaging in trading on margin by borrowing funds and pledging securities as collateral. While the use of leverage increases returns if the Fund earns a greater return on the incremental investments purchased with leverage than it pays for such leverage, the use of leverage decreases returns if the Fund fails to earn as much on such incremental investments as it pays for such funds. The effect of leverage may therefore result in a greater decrease in the net asset value of the Fund than if the Fund was not so leveraged. Any use by the Fund of short-term margin borrowings will result uncertain additional risks to the Fund. For example, the securities pledged to brokers to secure the Fund's margin accounts could be subject to a "margin call," pursuant to which the Fund would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. A sudden, precipitous drop in value of the Fund's assets accompanied by corresponding margin calls could force the Fund to liquidate assets quickly, and not for fair value, in order to pay off its margin debt. While there is no upper or lower limit on the amount of leverage the Fund may use, the portfolio's long market value is generally expected to vary between 1.0 and 3.0 times the Fund's net asset value.

Hedging Transactions. The Fund may enter into hedging transactions in an attempt to neutralize the Fund's equity and currency exposures. These hedging transactions could involve a variety of hedging instruments. There can be no assurance that the Fund will engage in hedging transactions at any given time or from time to time or that such transactions, if available, will be effective in hedging the risks they are intended to hedge. Such failure could result in substantial or total losses for the Fund. While these transactions may reduce certain risks associated with the Fund's securities holdings, the transactions themselves entail additional risks. Thus, while the Fund may benefit from the use of hedging instruments, unanticipated changes in securities prices, interest rates or currency exchange rates may result in a poorer overall performance for the Fund than if it

had not entered into any hedging transactions. The Fund expects that there will typically be an imperfect correlation between a hedging instrument position and a portfolio position that is intended to be hedged, and as a result of such imperfect correlation the desired protection may not be obtained in any particular case, and the Fund will be exposed to risk of loss. The successful use of the Fund's hedging strategies depends upon the availability of a liquid market and appropriate hedging instruments, and there can be no assurance that the Fund will be able to close out a position when we deem advisable. Hedging transactions also involve additional costs and expenses, which may adversely affect the Fund's overall performance.

Hedging transactions will typically expose the Fund to counterparty risk, including the risk of counterparty default with respect to a hedging instrument. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities in the Fund's portfolio, if any, denominated in non-U.S. currencies. Currency hedging instruments may not be available in certain currencies or have a duration that matches the anticipated duration of the underlying principal investment.

Further information concerning individual types of derivatives transactions the Fund may enter into in pursuit of its hedging objectives appears below.

Swaps and Counterparty Risks. The Fund may utilize swap and other derivative transactions to some degree where we believe that doing so will further the objectives of the Fund. To the extent the Fund invests in repurchase agreements, swaps, forwards, futures, options and other "synthetic" or derivative instruments, counterparty exposures can develop, and the Fund takes the risk of nonperformance by the other party on the contract. Counterparties include, among others, the prime brokers and brokers of the Fund. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. In the international securities markets, the existence of less mature settlement structures and systems can result in settlement default and exposure to counterparty credits.

Options. The Fund may purchase and write options. The Fund may use options to implement its investing and hedging strategies. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted. The Fund may invest in exchange traded options as well as over the counter options with broker-dealers.

Futures and Related Options. The Fund may buy and sell futures contracts and related options. The Fund may use futures contracts and related options to implement its investing and hedging strategies. A futures contract is an agreement between two parties to buy and sell a specific quantity

of a commodity (including a securities index or an interest-bearing security) for a set price at a future date. The Fund may also buy and sell call and put options on futures or on securities indices in addition to or as an alternative to purchasing or selling futures contracts. The use of futures and options involves certain special risks. Futures and options transactions involve costs and may result in losses. Certain risks arise because of the possibility of imperfect correlations between movements in the prices of futures and options and movements in the prices of the underlying securities, securities indices, currencies or other commodities or of the securities or currencies in the Fund's portfolio that are the subject of a hedge (to the extent the Fund uses futures and options for hedging purposes). The successful use of futures and options further depends on our ability to forecast market or interest rate movements correctly.

Other risks arise from the Fund's potential inability to close out its futures or options positions, and there can be no assurance that a liquid secondary market will exist for any futures contract or option at a particular time. The use of futures and options for purposes other than hedging is regarded as speculative. Certain other regulatory requirements may also limit the Fund's ability to engage in futures and options transactions.

Other Instruments and Future Developments. The Fund may take advantage of opportunities in the area of swaps, options on various underlying instruments and swaptions and certain other customized "synthetic" or derivative investments in the future. In addition, the Fund may take advantage of opportunities with respect to certain other "synthetic" or derivative instruments that are not presently contemplated for use by the Fund or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the Fund's investment objective and legally permissible for the Fund. Special risks may apply to the Fund's investments in the future.

Short Sales. The Fund may make short sales of investment securities. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. The making of short sales exposes the Fund to the risk of liability for the market value of the security that is sold, which is an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed by the Fund at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at rates significantly in excess of the proceeds received in originally selling the securities short. Any of these factors could make the Fund unable to execute its investment strategy.

Investment in Non-U.S. Securities. The Fund may invest in non-U.S. securities. Such investments may be subject to a greater risk than domestic investments due to non-U.S. economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments or capital gains, the need for

approval by government or other authorities to make investments and possible difficulty in obtaining and enforcing judgments against foreign entities and other factors beyond our control. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting, reporting or disclosure requirements than U.S. issuers. The securities markets of some countries in which the Fund may invest have substantially less volume than those in the United States, and securities of certain companies in these countries are less liquid and more volatile than securities of comparable U.S. companies. Accordingly, these markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities, than is usual in the United States. Brokerage commissions and other transaction costs on securities exchanges in non-U.S. countries are generally higher than in the United States. Non-U.S. securities settlements may in some instances be subject to delays and related administrative uncertainties. The Fund may hedge currency trades in both the spot and forward markets as well as swaps and options on a single currency or a basket of currencies.

Emerging Market Securities. The Fund may invest in securities of companies located in emerging market countries. The value of emerging market securities may be drastically affected by political developments in the country of the company's location. In addition, the existing governments in the relevant countries have in the past and could in the future take actions that could have a negative impact on the Fund, including nationalization, expropriation, imposition of regulatory restrictions, fines, tariffs, penalties or confiscatory taxation or regulation or imposition of withholding taxes on distributions.

Emerging Market Inflation. Emerging market countries tend to have periods of high inflation and high interest rates, as well as substantial volatility in interest rates. The value of emerging market securities can be expected to be extremely sensitive to changes in interest rates worldwide and, in particular, in the country of the relevant security.

Economic and Political Risks. A portion of the Fund's assets may be invested in countries where the market economy is relatively less developed. Although the recent general trend in such countries has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will continue to pursue such policies or that such policies may not be altered significantly. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organized crime or other factors beyond the Firm's control could have a material adverse effect on the performance of the Fund.

International Trade. The economies of many emerging markets are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

Fixed-Income Securities. The Fund may invest in bonds or other fixed-income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities. Such securities may be below "investment grade" and may face ongoing

uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue lower-rated debt securities often are highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could affect adversely the ability of the issuers of such securities to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities.

Long-Short Equity. Since a long-short equity strategy involves identifying securities which are generally undervalued (or, in the case of short positions, overvalued) by the marketplace, success of this strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur or may occur over extended time frames which limit profitability. Positions may undergo significant short-term declines and experience considerable price volatility during these periods. In addition, long and short positions may or may not be correlated to each other. If the long and short positions are not correlated, it is possible to have investment losses on both the long and short side of the portfolio.

Event-Driven Investing. Event-driven investing requires us to analyze and make judgments regarding the probability of events such as the consummation or delay of, or failure to consummate, a merger and the price at which it occurs; the success or failure of a tender or exchange offer; the success, failure or delay of a corporate reorganization; and various bankruptcy related events. Incorrect judgments by us could result in substantial loss to the Fund.

Merger Arbitrage. Merger arbitrage investments generally could incur significant losses when anticipated merger or acquisition transactions are not consummated. There is typically asymmetry in the risk/reward payout of mergers and the losses that can occur in the event of deal break-ups can far exceed the gains to be had if deals close successfully. For instance, mark-to-market losses can occur intra-month even if a particular deal is not breaking up and such losses may or may not be recouped upon successful consummation of such deal. Furthermore, the consummation of mergers, tender offers and exchange offers can be prevented or delayed by a wide variety of factors, including regulatory and antitrust restrictions, political motivations, industry weakness, stock specific events, failed financings and general market declines.

Merger arbitrage strategies also depend for success on the overall volume of merger activity which has historically been cyclical in nature. During periods when merger activity is low, it may be difficult or impossible to identify opportunities for profit or to identify a sufficient number of such opportunities to provide diversification among potential merger transactions.

Merger arbitrage strategies are also subject to the risk of overall market movements. To the extent that a general increase or decline in equity values affects the stocks involved in a merger arbitrage position differently, the position may be exposed to loss. At any given time, arbitrageurs can become improperly hedged by accident or in an effort to maximize risk-adjusted returns. This can

lead to inadvertent market-related losses.

Distressed/High Yield Debt. Investment in the securities of financially and/or operationally troubled issuers involves a high degree of credit and market risk. Securities of such issuers are typically more volatile and less liquid than securities of companies not experiencing such difficulties.

If a company is in bankruptcy, bondholders' and other creditors' claims are subject to factors such as deterioration of collateral during a stay in bankruptcy, challenges and/or possible invalidation of security interests and disallowance or subordination of claims, all of which may be difficult to predict. Failure to accurately assess the probability of these events could have a detrimental effect on the Fund's investments in distressed/high yield debt.

Illiquidity. The investments made by the Fund may be very illiquid, and consequently the Fund may not be able to sell such investments at prices that reflect the General Partner's assessment of their value or the amount paid for such investments by the Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual, or other restrictions on their resale by the Fund and other factors. Furthermore, the nature of the Fund's investments may require a long holding period prior to profitability. The Fund's offering and governing documents authorize the General Partner to make distributions in kind of securities in lieu of or in addition to cash. In the event the General Partner makes distributions of securities in kind, such securities could be illiquid or subject to legal, contractual, and other restrictions on transfer.

General Economic and Market Conditions. The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist activities or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Lack of Liquidity in Markets. The markets for some securities may be thinly traded from time to time. This lack of liquidity and market depth could disadvantage the Fund, both in the realization

of the prices that are quoted and in the execution of orders at desired prices or in desired quantities. Also, securities exchanges and the SEC have authority to suspend trading in a particular security without notice.

Diversification. Although the Fund generally limits the percentage of its assets that are invested in any particular security to 20% of the Fund's net asset value, the Fund is not restricted as to the percentage of its assets that may be invested in any particular instrument or market in order to optimize the risk-reward portfolio of the Fund. To the extent we concentrate the Fund's investments in a particular investment strategy, issuer, security, currency or market, the Fund's investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular strategy, issuer, security, currency or market.

Financing Arrangements. As a general matter, the banks and dealers that provide financing to hedge funds have considerable discretion in setting and changing their margin, collateral requirements, financing and collateral valuation policies. Changes by banks and dealers in any of the foregoing policies may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices.

Turnover and Trading Costs. Our investment strategy results in the portfolio having a significant degree of turnover which results in higher transaction costs than would be the case if the Fund employed a buy-and-hold strategy. The transaction costs associated with an active trading strategy may lower returns.

Effect on the Fund of Future Regulatory Changes. Various factors, including recent dislocations in the financial markets, have caused investors and governmental authorities to express concerns over the integrity of the U.S. financial markets and the adequacy of the current regulation of financial institutions, including alternative asset managers. For example, the Fund may be materially adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the Commodity Futures Trading Commission or other U.S. or non-U.S. governmental regulatory authorities, state regulatory authorities or self-regulatory organizations that supervise the financial markets, including developments that are not directed at alternative asset managers but nevertheless affect the Fund and its operations. Increased regulatory oversight may also impose additional administrative burdens on us and the Fund, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert our time, attention, and resources from portfolio management activities. The Fund also may be materially adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. Such changes could place limitations on the types of investors that can invest in alternative investment funds or on the conditions under which such investors may invest. Furthermore, such changes may limit the scope or manner of investing activities that may be undertaken by the Fund. It is not practicable to determine with meaningful specificity the extent of the impact of any new laws, regulations or initiatives that may be proposed or whether any of the proposals will become law. Any such regulations could increase the Fund's costs of doing business. In addition, securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. The SEC, other regulators, self-regulatory organizations, and exchanges are authorized to take actions

against market participants, including us and/or the Fund. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effects of any future regulatory changes on the Fund could be substantial.

Epidemics, Pandemics, and Public Health Issues. The Firm's business activities, as well as those of the Fund and its operations and investments, could be adversely affected by the outbreaks of epidemics in China and globally, such as Coronavirus, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics. Specifically, Coronavirus, or COVID-19, spread rapidly around the world beginning December 2019 and negatively affected the global economy and the stock market. Although the ongoing and long-term effects of coronavirus cannot be predicted with certainty, the pandemic to date, as well as previous occurrences of other pandemic and epidemic diseases, such as H5N1 and H1N1, have had an adverse effect on the economies of the United States and those countries in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally, which would adversely affect the business, financial condition and operations of the Fund, General Partner, and the Firm. Should these or other major public health issues, including pandemics, arise or spread farther, the Fund, General Partner, and the Firm could be adversely affected by more stringent travel restrictions, additional limitations on the Firm's operations or business and governmental actions limiting the movement of people between regions and other activities or operations.

Force Majeure & Catastrophic Risks. The Firm, General Partner, and the Fund may be subject to operational risk from unforeseeable and uncontrollable catastrophic events, including fires, floods, earthquakes, adverse weather conditions and related power outages, water shortages or other damage caused by such events, changes in law, eminent domain, wars, riots, terrorist attacks, and other similar risks, which may be uninsurable or insurable at rates that the Firm deems uneconomic. These events could result in loss and litigation, among other potentially detrimental effects. In February 2022, armed conflict escalated between Russia, and Ukraine and Russia invaded Ukraine. In response to Russia's invasion of Ukraine, the United States, the European Union, and various other countries have announced, and continue to announce and expand, sanctions against or targeting Russia and various important Russian people and companies. These sanctions currently include, among others, restrictions or bans on selling or importing goods, services, or technology in or from Russia, bans on Russian energy imports, and travel bans and asset freezes impacting connected individuals and political, military, business, and financial organizations in Russia. The U.S. and other countries could impose wider or more significant sanctions and take other actions against Russia or its interests should the conflict further escalate or deteriorate. The Ukraine-Russian conflict has led to, and may continue to lead to, significant political, geopolitical, economic and market turmoil and volatility, including dramatic increases in oil and gas prices and further supply chain disruptions. It is not possible to predict the broader consequences of this conflict or the sanctions imposed or applied as a result thereof, which could include further sanctions, embargoes, regional instability, geopolitical shifts, conflicts and adverse effects on macroeconomic conditions, currency exchange rates and financial markets, all of which could impact the Fund or the Firm's business, financial condition and results of operations.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH CLIENTS' INVESTMENT PROGRAMS OR THE FIRM'S INVESTMENT STRATEGIES. PROSPECTIVE INVESTORS ARE STRONGLY ENCOURAGED TO CONSULT WITH LEGAL AND TAX COUNSEL AS NEEDED TO CONSIDER RELEVANT RISK FACTORS.

ITEM 9. DISCIPLINARY INFORMATION

The Firm is required to disclose all material facts regarding any legal or disciplinary events that could be material to an investor's evaluation of the Firm, or the integrity of its management.

The Firm has no information to disclose in response to this Item.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Slotnik Affiliated Entities

Slotnik is affiliated with Sophzac, LLC, a Relying Adviser (as described in Item 4) and may be affiliated with other Relying Advisers established with respect to future funds. The activities of each of this affiliate and the persons acting on their behalf are subject to Slotnik's supervision and control. Slotnik and the Relying Adviser are subject to the Advisers Act and operate under a unified compliance program administered by a single compliance officer in accordance with the Advisers Act. Slotnik and the Relying Adviser share the same office space and personnel.

Other Registrations

Neither Slotnik nor any of its affiliates or related persons is registered, or has an application pending to register as a securities broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor. The Fund does and may in the future hold commodity interests as part of its hedging activities. However, Slotnik has filed an exemption from registration as a commodity pool operator under CFTC Regulation 4.13(a)(3).

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CODE OF ETHICS

We have adopted and implement a code of ethics, which sets forth standards of business conduct for our employees. Our code of ethics is primarily designed to educate employees about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage employees to comply with applicable laws, prevent the misuse of material non-public information, the circulation of rumors and other forms of market abuse, and address conflicts of interest that arise from personal trading by employees. Among other things, we impose restrictions on supervised persons relating to the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons. Employees generally are required to submit (i) initial and annual reports of their personal securities holdings and (ii) quarterly reports of all their personal securities transactions within 30 days after the close of each calendar quarter. In addition, employees must seek prior approval from the Chief Compliance Officer before (a) buying or selling any public security (apart from exchange traded funds), (b) participating in initial public offerings (“*IPOs*”) or initial coin offerings (“*ICOs*”) or (c) making private investments. Notwithstanding these restrictions, employees may be permitted to buy, sell, or hold securities that are held by, have been purchased or sold by, or are being considered for purchase or sale by clients, subject to certain restrictions further outlined in the Firm’s Code of Ethics. Further to this, employees are not permitted to buy securities from or sell securities to the Fund and are strictly prohibited from front-running client trades. The Chief Compliance Officer monitors employee personal trading for potential conflicts with respect to client trading.

Slotnik maintains and periodically updates a Restricted List, to reflect actual or potential investment activities of the Fund or other receipt of potential material non-public information. The Firm also maintains certain policies and procedures designed to prevent supervised persons from misusing material non-public information and to address certain actual and potential conflicts of interest that may arise when supervised persons engage in outside business activities or accept, provide, offer, or give gifts or entertainment events. The Firm will provide a copy of its Code of Ethics to clients upon request.

OTHER ACTIVITIES

Neither we nor any of our affiliates (including the Principal) are required to devote any specific amount of time to the Fund and its investment activities, and their activities outside of the Funds may require a significant amount of time. We and certain of our affiliates (including the Principal) may also engage in other activities in the future and such other activities may result in actual or potential conflicts of interest. Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts are fully disclosed, or the employee is directed to cease this activity.

ITEM 12. BROKERAGE PRACTICES

SELECTING BROKERAGE FIRMS

The Firm is authorized to determine the broker or dealer to be used for each securities transaction for the Fund. In selecting brokers or dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Firm's practice to negotiate "execution only" commission rates, thus the Fund may be deemed to be paying for research, brokerage, or other services provided by the broker which are included in the commission rate.

BEST EXECUTION

In placing orders for the purchase and sale of securities, we seek best net execution, which includes both commissions and execution prices. Orders are placed with brokers or dealers which we believe to be responsible and provide effective execution of client orders under conditions most favorable to client accounts. In determining which broker-dealer generally provides the best available price and most favorable execution, the Firm considers a totality of circumstances, including the broker-dealer's research capabilities and the success of prior research recommendations, ability to efficiently execute difficult trades (such as those in illiquid markets or trades of substantial size), the broker's risk in positioning a block of securities, commitment of capital, access to new issues, nature and frequency of sales coverage, depth of services provided, including economic or political coverage, arbitrage and option operations, back office and processing capabilities, financial strength, stability and responsibility, efficiency, reputation, access to markets, confidentiality, commission rate, responsiveness to the Firm, and the value of research and brokerage and research products and services provided by such brokers. The Firm may also execute trades with brokers and dealers with whom the Fund or the Firm have other business relationships, including prime brokerage, credit relationships, and capital introduction. However, the Firm does not believe that these other relationships will influence the choice of brokers and dealers who execute trades for the Fund.

SOFT DOLLAR PRACTICES

We do and may continue to use soft dollars generated by client accounts to pay for certain research and/or related services provided by brokers described above. The term "soft dollars" refers to the receipt by an investment manager of products and services (including research) provided by brokers without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

Using soft dollars to obtain investment research and/or related services creates a conflict of interest between us and the Fund. Soft dollars may be used to acquire products and services that are not exclusively for the benefit of clients which paid the commissions and that may primarily or exclusively benefit us. If we are able to acquire these products and services without expending our

own resources (including management fees paid by clients), our use of soft dollars would tend to increase our profitability. Furthermore, we may have an incentive to select or recommend brokers based on our interest in receiving research or other products or services, rather than on our clients' interest in receiving most favorable execution. We may cause clients to pay commissions (or markups or markdowns) higher than those charged by other brokers in return for soft dollar benefits.

Soft dollar benefits generally are used to service our sole client. In the event that additional clients are added in the future, we will seek to allocate soft dollar benefits among client accounts in a fair and equitable manner.

Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a safe harbor to advisers who use soft dollars generated by client accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to us in the performance of investment decision-making responsibilities. We intend that any soft dollars that we receive in connection with client-related matters would be within the limitations set forth in Section 28(e) of the Exchange Act.

BROKERAGE FOR INVESTOR REFERRALS

In selecting or recommending brokers, we may consider whether we or our related persons receive investor referrals from such brokers. Considering investor referrals may motivate us to select brokers based on our interest in receiving client and/or investor referrals rather than on our client's interest in receiving most favorable execution.

DIRECTED BROKERAGE

We do not recommend, request, or require that a client direct us to execute transactions through a specified broker-dealer. We also do not permit a client to direct brokerage for order execution purposes.

TRADE ERRORS

We have adopted policies and procedures regarding handling and resolution of trade errors in our compliance manual. Consistent with our fiduciary duties, our policy is to use the utmost care in making and implementing investment decisions with respect to client accounts. To the extent trading errors occur, we seek to ensure that our clients' best interests are served. Consistent with provisions in the Fund's legal documents, the Fund generally is responsible for trade errors (except for errors caused by the bad faith, willful misconduct, or gross negligence of the Firm, any of our employees, or any of our affiliates).

OTHER SERVICES AND BENEFITS IN CONNECTION WITH TRADE EXECUTION

We utilize software, order routing platforms, and other trading platforms. We receive credits from such platforms that can be used to offset costs of other products and services. We do not receive any financial benefit, other than the aforementioned cost savings and credits, from any software

provider or platform or as a result of the use of any software or platform.

ITEM 13. REVIEW OF ACCOUNTS

REVIEWS OF ACCOUNTS

We generally conduct reviews of the Fund and its investments on an ongoing basis. The Principal is primarily responsible for reviewing the Fund and its investments. With respect to accounting matters, we have engaged KPMG to conduct an annual audit of the Fund.

We invest the Fund's capital in securities and other financial instruments. In monitoring the performance of the investments, we perform various levels of review. Among other items, we consider short- and long-term rates of return, investment performance, and risk allocations.

REPORTS TO INVESTORS

We provide all investors in the Fund annual audited financial statements and annual U.S. income tax information. We also provide unaudited performance information on a monthly basis. All such statements and reports are written. In response to questions and requests and in connection with due diligence meetings and other communications, we may provide additional information to certain prospective investors and investors in the Fund that is not distributed to other prospective investors and investors in the Fund.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

THIRD PARTY COMPENSATION

Except as described in Item 12 above, we currently do not receive any economic benefit from any person who is not a client for providing investment advice or other advisory services to our clients.

REFERRALS

The Firm does not currently compensate any third party for client referrals but may look to do so in the future.

ITEM 15. CUSTODY

We and/or the General Partner are deemed to have custody of the Fund's cash and securities for purposes of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended. In accordance with Rule 206(4)-2, the Fund's cash and securities (except for any privately placed securities) are held with one or more qualified custodians. We may change the custodians at any time and from time to time without the consent of, or notice to, investors. We have engaged KPMG to conduct annual audits of the Fund, and audited financial statements (prepared in accordance with generally accepted accounting principles) are provided on an annual basis. We attempt to provide such statements to investors within 120 days after the end of each fiscal year, but there can be no assurance that we will be successful in this regard. Qualified custodians do not and will not provide statements directly to investors in the Funds.

ITEM 16. INVESTMENT DISCRETION

DISCRETIONARY AUTHORITY

We have discretionary power and authority over the types of financial instruments to be bought or sold, the amount to be bought or sold, as well as the timing of such transactions on behalf of the Fund. We have authority to determine the broker-dealer or other counterparty to be used for transactions and the negotiation of commission rates and other consideration to be paid by the Fund.

LIMITED POWER OF ATTORNEY

Each investor in the Fund generally grants us a limited power of attorney to enable us to execute the Fund's partnership agreement and documents relating thereto on its behalf.

ITEM 17. VOTING CLIENT SECURITIES

We have the authority to vote proxies on behalf of the Fund. Accordingly, Slotnik has adopted proxy voting policies and procedures consistent with Rule 206(4)-6 of the Advisers Act and designed to further the best interests of the Fund. In general, we determine how and whether or not to vote proxies after studying the proxy materials and any other materials that may be necessary or beneficial to voting. To the extent that the Firm votes proxies on behalf of the Fund, it is our policy to vote proxies in a manner that we believe reasonably furthers the best interests of the Fund and is consistent with the investment philosophy as set forth in the applicable offering and governing documents. The Firm may consider multiple factors when determining whether or how to vote a proxy, including the size of the position and whether the Firm's vote will make a difference in the vote, the perceived significance of the issues addressed in such proxy vote, and other factors as deemed relevant by the Principal. Based on such analysis, the Firm may vote in favor or against such matters, may abstain from voting, or may simply not cast a vote at all. Generally, the Firm intends to vote any ballot item that the Principal or his designee deems a necessary and material benefit to the Fund. Typically, these matters will be certain non-routine matters as defined below.

While facts and circumstances will dictate the Firm's proxy voting decisions, generally the Firm expects not to vote proxies for matters that it believes do not measurably change the structure, management, control or operation of the company or its employee or management compensation policies, and that are consistent with customary industry standards and practices, as well as applicable law. Examples include uncontested elections for directors, selection of auditors, and increases in common stock. The Principal considers votes on such matters as not materially benefitting the Fund.

Matters that would fundamentally alter a company's organization, its governance, tax status, compensation structure, or similar matter are generally deemed to be of material interest to the Fund. The Firm generally will vote matters deemed to be of material interest and may vote against a proposal or recommendation of management if it determines that such a vote is in the best interest of the Fund. The Firm decides these issues on a case-by-case basis.

The Firm will attempt to identify all material conflicts of interest between the Firm's interests and those of the Fund and its investors. If a proxy vote creates or may create the appearance of a material conflict of interest between our interests and the interests of the Fund, we will take steps reasonably designed to ensure that the proxy voting decision is based on our determination of the Fund's best interest and is not a product of the conflict. Such steps may include: (a) disclosing the potential conflict and the basis for the proposed vote to Fund investors; (b) seeking instruction from an independent proxy voting service, Fund investors, and/or a Fund's limited partner advisory board, if applicable, regarding how to vote; or (c) abstaining from voting such proxy. Slotnik will maintain a written record of the method used to resolve or otherwise mitigate any material conflict of interest.

Investors generally may not direct or otherwise influence our vote with respect to any particular proxy solicitation. Investors may obtain copies of our proxy voting policy, together with information regarding how we have voted past proxies, by contacting us.

ITEM 18. FINANCIAL INFORMATION

The Firm does not have any financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients, nor has it been the subject of any bankruptcy proceeding.