

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Kodai Capital Management LP

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This brochure ("Brochure") provides information about the qualifications and business practices of Kodai Capital Management LP ("Kodai," the "Firm," "we," "us" and similar terms). If you have any questions about the contents of this Brochure, please contact us at (312) 264-0620 or at Compliance@Kodai.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 is also available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply any level of skill or training with respect to the investment advisory services Kodai provides.

Item 2 Material Changes

This Brochure has been updated throughout to reflect the launch of private investment funds advised by Kodai. Specifically, the Brochure was updated to reflect the following:

- Item 5 was updated to include discussion of the fees applicable to the private funds, as well as the costs, fees and expenses applicable to client accounts generally.
- Item 6 was updated to include discussion of the risks and conflicts of interest relating to the simultaneous management of multiple client accounts which employ similar or the same investment strategies.
- Item 12 was updated to reflect the Firm's brokerage practices with respect to the management of multiple clients accounts, including trade allocation practices.
- Item 15 was updated to reflect that the Firm is deemed to have custody of the private funds.
- Item 17 was updated to provide a summary of the Firm's proxy voting practices with respect to client accounts for which the Firm has responsibility for voting proxies.

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Item 4 Advisory Business

Kodai Capital Management LP is a Delaware limited partnership that was formed in 2020 with its principal place of business in Chicago, IL. We are controlled by our principal owners, Neville Shah, Chief Investment Officer, and Joon Park, President and Chief Operating Officer, who are the managing members of our general partner, Kodai Capital Management LLC, a Delaware limited liability company, which has ultimate responsibility for our management, operations and investment decisions.

Overview

The Firm provides investment advice to a variety of client types, including privately offered pooled investment vehicles organized as domestic limited liability entities and Cayman Island exempted companies (each a “private fund”) and separately managed accounts of institutional investors (each a “separately managed account,” and together with the private funds, “clients”)

As described further in Item 8, Kodai generally employs a global, beta neutral, long/short equity strategy, pursuant to which it seeks to invest, long and short, in publicly traded equities and equity-related instruments across all market capitalizations. We intend to continually review and refine our existing strategies, and to examine new ideas and opportunities. The descriptions set forth in this Brochure of specific strategies which we may employ with respect to a client account should not be understood to limit in any way Kodai’s investment activities with respect to any client or future client. We may cause our clients to engage in any investment strategy, including strategies not described in this Brochure, that we consider appropriate in order to pursue the applicable client’s investment objectives.

Private Funds

We serve as the general partner, investment manager or investment adviser to private funds. Each private fund may provide different investment features which may include varying levels of management fees and/or incentive fees, investment guidelines, investment minimums, investor qualification standards, and liquidity terms. This Brochure should not be considered an offering document for any private fund and investors should refer to a specific private fund’s offering memorandum or organizational documents for a complete description of that private fund, including its types of investments and strategies, risks, conflicts of interest, fees, and expenses. We tailor our investment advisory services for a private fund to such private fund’s overall investment program, and not to the needs of any underlying investor therein.

The governing documents for the private fund and/or the investment advisory agreement, if applicable, govern Kodai’s advisory services provided to the private fund. The private funds are exempt from registration as an investment company under Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “Company Act”).

Separately Managed Accounts

We also serve as adviser to an account beneficially owned by a pooled investment vehicle managed and sponsored by independent investment adviser. We may provide advisory services to additional separately managed accounts, including on a sub-advisory basis. These customized offerings generally follow the same portfolio construction process as the private funds, however, we may customize an investment portfolio in accordance with the client’s risk tolerance and investment objectives, including reasonable restrictions on investing in certain securities, investment types or exposures. Once we construct an investment portfolio, we monitor the performance of each client’s portfolio on an ongoing basis and will rebalance the portfolio as necessary due to changes in market conditions.

Assets Under Management

As of January 31, 2024 Kodai had approximately \$6,100,552,602 of regulatory assets under management, all of which is managed on a discretionary basis.

Item 5 Fees and Compensation

Fees for the private funds and separately managed accounts are discussed in this item.

Private Funds

The fees and expenses applicable to each private fund are described in such private fund’s offering memorandum or organizational documents. The rates at which our fees are charged vary across our private funds and, as to a particular private fund, may also vary across investment options available to investors. As compensation for our investment

advisory services to the private funds, we generally receive an annual management fee equal to a percentage of the applicable private fund's net assets, calculated in accordance with the applicable fund's governing documents. In addition, Kodai and/or its affiliates are entitled to receive an incentive fee for its services, calculated as a percentage of net profits achieved over a high water mark. Any incentive fee is generally calculated and paid at the end of the fiscal year and at the time of withdrawal. Management fees and incentive fees are deducted directly from investors' assets in the applicable private fund. The management fee and incentive fee is prorated with respect to any partial period. Any prepaid but unearned fees will be refunded.

We reserve the right to apply a different management fee and/or incentive fee to different investors and to waive any management fee and/or incentive fee in whole or in part for particular investors in our discretion, including principals and employees of Kodai.

Separately Managed Accounts

The fees and expenses applicable to each separately managed account, and the specific manner in which they are calculated, are described in such account's investment advisory agreement. Depending on the client, we may charge an annual advisory fee calculated as a percentage of client assets under management and/or an incentive fee, generally calculated as a percentage fee of net profits achieved over a high water mark. The structure of the fees applicable to a separate account client are negotiable and may vary from the general discussion set forth in this Brochure.

If the investment advisory agreement is executed at any time other than the first day of an applicable billing period or terminated prior to the end of an applicable billing period, our fees will apply on a pro rata basis. Any prepaid but unearned fees will be refunded. We typically will invoice the client for payment of fees. We urge our clients to review all statements received from their custodians for accuracy.

We may launch or manage other funds or accounts with higher or lower fees and/or different compensation structures. Different client facts and circumstances, including the client's investment strategy, liquidity profile, and prevailing market terms, will be considered in determining applicable fees.

Additional Fees and Expenses

Our fees are exclusive of, and clients may incur certain other fees and expenses, including brokerage commissions, banking fees, interest, custodial fees, transaction fees, and other investment related costs and expenses, including research expenses (such as computer software, news and information services and licensing costs which benefit our clients). Brokerage commissions, custodial fees, and other transaction expenses and fees are typically imposed by broker-dealers, custodians, and other third parties. Please refer to Item 12 for a description of the factors we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Clients may also be subject to organizational, operating, administrative, legal, audit, and other professional expenses. Clients may also bear their share of expenses attributable to regulatory and other filings which are made with respect to the client's holdings. In some instances, certain clients will be responsible for extraordinary expenses, including the expenses of litigation. Each client will be responsible for their own taxes. Please refer to the applicable governing documents of a client for more information.

Client costs and expenses are the responsibility of, and may be paid directly by, the applicable client. However, where we have the ability to do so in respect of our clients, we may pay client costs and expenses directly out of our own account for and on behalf of the client, and in those cases, we are entitled to reimbursement from the client. Certain costs and expenses may be incurred for the benefit of, or be shared by, multiple clients which may include clients which do not bear any responsibility for such costs and expenses. Such shared expenses generally will be allocated across the applicable clients pro rata or in such other manner as we deem appropriate. We may directly bear the responsibility for the portion of such shared costs and expenses otherwise allocable to one or more clients which benefit from such shared costs and expense.

Neither Kodai nor any of its supervised persons is compensated for the sale of securities or other investment products.

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

Performance-Based Compensation

As set forth in Item 5, Kodai and its affiliates are entitled to receive an incentive fee from certain clients. Incentive fee arrangements create an incentive for Kodai (i) to recommend investments that may be riskier or more speculative than those that might be recommended under a different fee arrangement, such as a management fee only arrangement, and (ii) to dispose of investments at a time and in a sequence that would generate the most incentive fee.

Similarly, the level of fees we charge varies from client to client. Differing fee levels incentivize us to dedicate increased resources and allocate more profitable investment opportunities or best investment ideas to clients whose fees (management fee or incentive fee arrangements) are more profitable for us.

To the extent we determine the fair value of assets, we have a conflict of interest as the calculation of the incentive fee will be based on such valuations. Incentive fee arrangements incentivize us to overvalue assets in order to increase the amount of our incentive fee earned.

As described below, Kodai has implemented procedures designed to mitigate these conflicts from influencing the allocation of investment opportunities among clients.

Side-by-Side Management (Allocation Practices)

Certain clients are subject to significant potential and actual conflicts of interest with respect to side-by-side management. Side-by-side management is the simultaneous management of multiple accounts that follow the same or similar investment strategies.

Kodai allocates investment opportunities among its clients, where appropriate, on a basis that Kodai deems fair and equitable on an overall basis to all applicable clients, generally based on gross market value (or another relevant metric as determined by Kodai to be fair and equitable on an overall basis to all applicable clients under the circumstances). However, Kodai is not required to allocate on a pro rata basis if, in its sole discretion, Kodai determines another manner would be fair and equitable on an overall basis to all applicable clients under the circumstances, taking into account relevant characteristics of each applicable client (in each case, both at the time of investment and on a prospective basis). Such characteristics and considerations may include, among other factors and without limitation, position size, amount of available capital, investment strategy, risk profile, geographic and sector weightings, liquidity, existing position size, overall portfolio composition, rebalancing exposures, participation in other opportunities, trading activity, legal, tax or regulatory constraints, anticipated capital activity, portfolio guidelines and restrictions as well as the relative size of different accounts' same or comparable portfolio holdings.

Kodai recognizes that it may not always be possible (or consistent with the investment objectives of a client) for the same investment positions to be taken or liquidated at the same time or at the same price as other clients. Moreover, Kodai may be limited in its ability (or may be unable) to allocate certain investments, particularly with respect to private, unregistered or over-the-counter securities and financial instruments, due to a variety of factors, including limited investment opportunity, legal, regulatory, tax, trading, or counterparty-imposed or market-driven restrictions. As a result, a client may not participate in any particular investment opportunity on an equal, on a pro rata basis with other clients or at all. Please see Item 12 for additional information on Kodai's trading practices.

Item 7 Types of Clients

We offer investment advisory services to a variety of client types, including private funds and separately managed accounts established by institutional clients.

Investment in the private funds generally requires a minimum investment of \$25 million, although we may accept lesser amounts in our discretion. In addition, investment in the private funds is limited to "accredited investors" within the meaning of Regulation D under the Securities Act of 1933 and "qualified purchasers," as defined in Section 2(a)(51) under the Company Act. Each private fund's private offering memorandum or organizational documents includes a complete discussion of the eligibility requirements applicable to that private fund.

We currently do not have a minimum account size for separately managed accounts.

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

Methods of Analysis and Investment Strategies

Kodai seeks to generate superior risk-adjusted returns with negligible correlation to broad equity indices in all market conditions. Kodai employs a deep, fundamental, bottom-up research process and leverages proprietary risk management tools to construct relative value portfolios.

Kodai employs a global, beta neutral, long/short equity strategy, pursuant to which it will invest, long and short, in publicly traded equities and equity-related instruments across all market capitalizations, though Kodai intends to invest predominantly in U.S.-listed mid- and large capitalization companies.

Kodai believes in a decentralized but collaborative investment approach by entrusting portfolio managers who are experts in their industry to deploy capital. Kodai employs a model-driven approach to the investment process which is led by experienced portfolio managers with sub-sector expertise. Portfolio managers are supported by analysts, quantitative researchers, data scientists, macro researchers and execution traders. Kodai investment teams leverage insights by understanding core industry drivers, analyzing competitive dynamics and fostering long-term meaningful relationships with corporate management teams.

Risk of Loss

Kodai, on behalf of its clients, invests in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. While we strive to mitigate these risks through a variety of techniques, we make no guarantee or representation that a client's investment program will be successful.

As a result of the foregoing and other factors, clients are subject to the risk of the loss of all or substantially all of their investment and should be prepared to bear such loss. The following is a summary of some of the material risks associated with the advisory services we provide.

Risks Related to the Firm's Investment Program and Research Activities

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment with the Firm. These risk factors include only those risks that we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

General Economic and Market Conditions. The success of Kodai's investment activities is affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the investments held in client accounts. Volatility or illiquidity could impair the profitability of a client account or result in losses. Kodai may, on behalf of clients, maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Investment and Due Diligence Process. Before making investments, Kodai conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, Kodai may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. When conducting due diligence and making an assessment regarding an investment, Kodai relies on the resources reasonably available to it, which, in some circumstances, whether or not known to Kodai at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment. Kodai may make investment decisions based on incomplete or limited information and based on assumptions that may not be accurate.

Investment Strategy. The success of Kodai's long/short investment strategy depends upon Kodai's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of this long/short investment strategy is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying positions were to fail to converge toward, or were to diverge further from, values expected

by Kodai, the applicable client account may incur a loss. In the event of market disruptions, significant losses can be incurred, which may force Kodai to close out one or more positions. Furthermore, the financial and valuation models and assumptions used to determine whether a position presents an attractive opportunity consistent with the long/short strategy may become outdated and inaccurate as market conditions change.

Diversification and Concentration. Kodai may select investments that are highly concentrated in a limited number or types of securities. In addition, the holdings of client accounts may become highly concentrated in securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the client accounts to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

Client accounts may hold an aggregate position in an investment that may be difficult to liquidate without resulting in adverse price movements due to the size of such investment. As a result, Kodai's investment, on behalf of the clients, in any one investment may render such investment illiquid.

Undervalued Securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from investments may not adequately compensate for the business and financial risks assumed.

Small-Capitalization Companies. Kodai may make investments on behalf of client accounts in small-capitalization companies. Investments in securities of small-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of small-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Short Selling. Kodai, on behalf of certain client accounts, engages in short selling. Short selling involves selling securities that are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent that such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the applicable client account of buying those securities to cover the short position. There can be no assurance that a client account will be able to maintain the ability to borrow securities sold short. In such cases, a client account can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and a client account may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even where a client account secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the client account to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the client account.

In addition, short selling subjects applicable client accounts to the risk of a "short squeeze." A short squeeze is a rapid increase in the price of a stock held short due to broad covering of short positions in the market. The detrimental effects of a short squeeze may be exacerbated by the lender of a security demanding the return of the security that has been loaned at any time. If a lender were to demand the return of securities that the short seller had borrowed, the seller would be required to replace the borrowed securities by borrowing identical securities from another lender or by buying

identical securities in the market to make delivery, which, in the case of such purchase, could result in significant losses if the securities sold short had increased in value. Further, the risk of a short squeeze likely will increase if other short sellers, market participants, and/or lenders become aware of our short positions, including, without limitation, as a result of legally required reporting with respect to the ownership of options to purchase the underlying security being shorted.

Leverage; Interest Rates; Margin. The use of leverage has attendant risks and can substantially increase the adverse impact to which a client account's investments may be subject. The use of leverage allows a client portfolio to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of a client account. The effect of the use of leverage by a client account in a market that moves adversely to its investments could result in substantial losses to the client account, which would be greater than if the client account were not leveraged. In addition, any leverage used by a client account is subject to the risk that changes in the general level of interest rates may adversely affect expenses and operating results.

In general, any use by a client account of short-term margin borrowings results in certain additional risks. For example, should the securities pledged to brokers to secure the client account's margin accounts decline in value, the client account could be subject to a "margin call," pursuant to which the client account must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the client account can apply essentially discretionary margin (i.e., "haircut") financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the client account may have similar rights. There can be no assurance that a client account will be able to secure or maintain adequate financing. In the event of a sudden precipitous drop in the value of a client account's assets, the client account might not be able to liquidate assets quickly enough to pay off its margin debt.

Hedging Transactions. Kodai may utilize a variety of financial instruments (including options and derivatives), both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of a client's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the unrealized gains in the value of a client account; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in a client account; (v) hedge the interest rate or currency exchange rate on any liabilities or assets of a client account; (vi) protect against any increase in the price of any securities Kodai anticipates purchasing at a later date or (vii) for any other reason that Kodai deems appropriate.

The success of Kodai's hedging strategy is subject to Kodai's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the instances when Kodai hedges positions is also subject to Kodai's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. Moreover, Kodai's ability to assess correlation and adjust its portfolio construction depends in part on consistent and accurate measures of beta and other style factor risks. The measures upon which Kodai relies can be subject to dislocation during periods of high market volatility, which may result in an inaccurate estimation of the risks to be hedged. While a client account may enter into certain hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the client account than if they had not engaged in any such hedging transactions. For a variety of reasons, Kodai may not seek to or may not be able to establish a perfect correlation between such hedging instruments and the holdings being hedged. Such imperfect correlation may prevent a client account from achieving the intended hedge or expose the client account to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the holdings. Additionally, Kodai will not be required to hedge any particular risk in connection with a particular transaction or its investments generally. Kodai may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While Kodai may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a client account than if it had not engaged in any such hedging transaction. Moreover, client accounts will always be exposed to certain risks that cannot be hedged.

Counterparty Risk. Kodai has established relationships to obtain financing, derivative execution, derivative intermediation and prime brokerage services, as applicable, that permit Kodai to trade in any variety of markets or asset classes over time. However, there can be no assurance that Kodai will be able to maintain such relationships. An inability to maintain such relationships could limit Kodai's trading activities, create losses, preclude clients from engaging in certain transactions or prevent clients from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on the Kodai's business due to Kodai's reliance on such counterparties.

Kodai may effect transactions in the "over-the-counter" or "OTC" derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, Kodai enters into a contract with dealer counterparties on behalf of applicable clients, which may expose clients to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, clients may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if Kodai had entered into contracts with multiple counterparties. Certain OTC derivative contracts require that clients post collateral.

If there is a default by a counterparty, clients under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the value of client holdings being less than if the clients had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of the securities from such counterparty or the payment of claims therefor may be significantly delayed and the clients may recover substantially less than the full value of the securities entrusted to such counterparty.

Collateral that clients post with counterparties that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such funds. In the event that a counterparty were to become insolvent, clients may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

In addition, Kodai may use counterparties located in jurisdictions outside the United States. Such local counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to the client assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on clients. The insolvency of any such counterparty would result in significant delays in recovering client holdings from or the payment of claims therefor by such counterparty and a loss to applicable clients, which could be material.

Counterparty Fraud. Of paramount concern in investments is the possibility of material misrepresentation or omission on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying an investment. Kodai relies upon the accuracy and completeness of representations made by counterparties to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments made to client account may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Counterparty Insolvency. Client assets may be held in one or more accounts maintained by counterparties, including prime brokers. There is a risk that any of such counterparties could become insolvent. The insolvency of counterparties is likely to impair the operational capabilities or the assets of the relevant client accounts. Although Kodai regularly monitors the financial condition of the counterparties, if one or more counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the Securities Investor Protection Act or the U.S. Bankruptcy Code), there exists the risk that the recovery of the relevant assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, Kodai may use counterparties located in various jurisdictions outside the United States. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to client assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency. Clients should assume that the insolvency of any counterparty would result in a loss, which could be material.

Volatility. The investment programs employed by Kodai may involve the purchase and sale of relatively volatile investments in volatile markets. Fluctuations or prolonged changes in the volatility of such investments and/or markets can adversely affect the value of investments.

Competition; Availability of Investments. The markets in which Kodai invests are extremely competitive for attractive investment opportunities and, as a result, there may be reduced investment returns. There can be no assurance that Kodai will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles and other investors may reduce the availability of investment opportunities. Competitive investment activity by other firms and institutions will reduce the opportunities for profit by generally increasing prices on desired assets and reducing mispricings in the market as well as the margins available on those mispricings that can still be identified.

Significant Positions in Securities; Regulatory Requirements. In the event that Kodai acquires a significant stake on behalf of its client accounts in certain issuers of securities and such stake exceeds certain percentage or value limits, the client account may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on Kodai and/or the applicable clients. Any such requirements may impose additional costs on the clients and may delay the acquisition or disposition of the securities or the Kodai's ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, "position limits" may be imposed by various regulators that may limit the Kodai's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. If at any time positions managed by Kodai were to exceed applicable position limits, Kodai would be required to liquidate positions, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, Kodai might have to forgo or modify certain of its contemplated trades.

In addition, if Kodai, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the U.S. Securities Exchange Act of 1934, as amended, the applicable client accounts may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances the applicable client accounts will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

Exposure to Material Non-Public Information. From time to time, Kodai may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, clients may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer and (iii) pursuing other investment opportunities related to such issuer.

Alternative Data. Kodai may utilize various kinds of data and information relating to business operations and trends, consumer trends and spending and various other metrics with respect to companies, consumer groups and industries—which data is sometimes referred to as "big data" or "alternative data"—in evaluating investments and prospective investments. Kodai may apply these alternative data to, among other things, better anticipate micro- and macro-economic trends and otherwise to develop or improve trading or investment themes.

The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense, including technological efforts, that are expected to be borne—in whole or in part—by clients. No assurance can be given that Kodai will be successful in utilizing alternative data in its investment process.

Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for Kodai and clients in numerous jurisdictions. Kodai cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to Kodai or to the clients. Conversely, any future limitations on the use of alternative data could have a material adverse impact on the performance of client accounts.

Currency Exchange Exposure. Kodai may invest in securities denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. Client accounts, however, are generally valued in U.S. dollars. Kodai may seek to hedge currency exposure on behalf of clients by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts, put or call options and cross-currency swaps, in U.S. or non-U.S. markets. There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time that Kodai wishes to use them, will be able to be liquidated when Kodai wishes to do so or that hedging techniques employed by Kodai will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of client positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. Such fluctuations may result in a loss to clients.

Furthermore, clients may incur costs in connection with conversions between various currencies. Non-U.S. currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a client account at one rate, while offering a lesser rate of exchange should the client account immediately resell that currency to the dealer. Kodai will conduct currency exchange transactions on behalf of client accounts either on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-U.S. currencies. It is anticipated that most of Kodai's currency exchange transactions will occur at the time at which non-U.S. investments are purchased or sold and will be executed through the applicable local broker or custodian.

Non-U.S. Investments. Kodai invests client assets on a global basis, including in securities of non-U.S. companies that are traded in non-U.S. markets. Investing in the securities of companies in non-U.S. countries involves certain considerations not usually associated with investing in securities of U.S. companies or U.S. markets, including: political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income or disposition proceeds; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, accounting and financial reporting standards that prevail in such countries generally are not equivalent to U.S. standards and, consequently, less information is available to investors in companies located in such countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities markets in such countries than there is in the United States. As a result, clients may be unable to structure transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the U.S. Commodity Futures Trading Commission (the "CFTC") or the securities and commodities laws and regulations of the United States. Accordingly, the protections accorded to clients under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

Non-U.S. Exchanges. Kodai may trade client assets on exchanges or markets located outside the United States. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

Regulation in the Derivatives Industry. There are many rules related to derivatives that may negatively impact clients, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared over-the-counter (“OTC”) instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps are also subject to extensive business conduct standards, additional “know your counterparty” obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of Kodai and clients, and increase the amount of time that Kodai spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to the clients, as applicable.

These rules are operationally and technologically burdensome for Kodai. These compliance obligations require employee training and use of technology.

These regulations may also result in Kodai forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants (“FCMs”)), as the use of other parties may be more efficient for Kodai from a regulatory perspective. However, this could limit Kodai’s trading activities on behalf of clients, create losses, preclude Kodai from engaging in certain transactions on behalf of clients or prevent Kodai from trading at optimal rates and terms.

Many of these requirements were implemented under legislation intended to reform the U.S. financial regulatory system, the EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or “EMIR”) and similar regulations globally. In the United States, regulatory responsibility for derivatives is divided between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The SEC has regulatory authority over “security-based swaps” and the CFTC has regulatory authority over “swaps.” EMIR is being implemented in phases through the adoption of delegated acts by the European Commission. As a result of the SEC and CFTC bifurcation and the different pace at which the SEC, the CFTC, the European Commission and other international regulators have promulgated necessary regulations, different transactions are subject to different levels of regulation. Though many rules and regulations have been finalized, there are others, particularly SEC regulations with respect to security-based swaps, that are still in the proposal stage or are expected to be introduced in the future.

The following describes derivatives regulations that may have the most significant impact on clients:

Reporting. Most swap transactions have become subject to anonymous “real time reporting” requirements, meaning that information relating to transactions entered into by Kodai on behalf of clients will become visible to the market in ways that may impair Kodai’s ability to enter into additional transactions at comparable prices or could enable competitors to “front run” or replicate Kodai’s strategies.

Central Clearing. In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives, including EMIR, are underway to require certain derivatives to be cleared through central clearinghouses. In the United States, clearing mandates affect certain interest rate and credit default swaps. The CFTC and the SEC may introduce clearing requirements for additional classes of derivatives in the future. EMIR also requires OTC derivatives contracts meeting specific criteria to be cleared through central counterparties.

While such clearing requirements may be beneficial for clients in many respects (for instance, they may reduce the counterparty risk to the dealers to which the Portfolio would be exposed under non-cleared derivatives), clients could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and, as a result, Kodai may not be able to hedge its risks or express an investment view as well as it would have been able to had it used customizable derivatives available in the OTC markets. Kodai may have to split its derivatives portfolios between centrally cleared and OTC derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and OTC positions, and which could lead to increased costs.

Another risk is that Kodai may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the FCM and the clearinghouse. Virtually all margin models utilized by the clearinghouses are dynamic, meaning that, unlike traditional bilateral swap contracts where the amount of initial margin posted on the contract is typically static throughout the life of the contract, the amount of the initial margin

that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject Kodai to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on client accounts. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require Kodai to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to applicable client accounts. In addition, clearinghouses may not allow Kodai to portfolio-margin positions, which may increase the costs to clients, as applicable.

Although standardized clearing for derivatives is intended to reduce counterparty risk (for instance, it may reduce the counterparty risk to the dealers to which the Portfolio would have been exposed under OTC derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and the FCM, subjecting clients to the risk that the assets of the clearinghouse and/or FCM are insufficient to satisfy all of their respective payment obligations, leading to a payment default. The failure of a clearinghouse could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs (*i.e.*, member firms) during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

Swap Execution Facilities. In addition to the central clearing requirement, certain swap transactions are required to trade on regulated electronic platforms such as swap execution facilities (“SEFs”), which require Kodai to subject itself to regulation by these venues and subject Kodai to the jurisdiction of the CFTC. CFTC rules governing the operation of SEFs continue to evolve; the SEC has yet to finalize rules related to security-based SEFs.

The EU regulatory framework governing derivatives is set not only by EMIR but also a legislative package known as a recast of the Markets in Financial Instruments Directive (“MiFID II”). Among other things, MiFID II requires transactions in derivatives to be executed on regulated trading venues.

It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for Kodai to obtain tailored swap products on behalf of clients to hedge particular risks in its portfolio due to higher collateral requirements on bilateral transactions as a result of these regulations.

Margin Requirements for Non-Cleared Swaps. Rules issued by U.S., EU and other regulators globally (the “Margin Rules”) impose various margin requirements on all swaps that are not centrally cleared, including the establishment of minimum amounts of initial margin that must be posted, and, in some cases, the mandatory segregation of initial margin with a third-party custodian. Although the Margin Rules are intended to increase the stability of the derivatives market, the overall amount of margin that Kodai will be required to post on behalf of client accounts to swap counterparties may increase by a material amount, and, as a result, the client accounts may not be able to deploy capital as effectively. Additionally, to the extent that Kodai is required to segregate initial margin with a third-party custodian, additional costs will be incurred by applicable clients.

Risks Relating to Particular Investment Instruments and Strategies

Equity Securities Generally. Kodai generally trades equity and equity-related securities on behalf of clients. Equity securities fluctuate in value in response to many factors, including the activities and financial conditions of individual companies. As a result, clients may suffer losses if invested in equity instruments of issuers whose share price performance diverges from Kodai’s expectations. The Portfolio also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Call and Put Options. Clients may incur risks associated with the sale and purchase of call options and put options. Under a conventional cash-settled option, the purchaser of the option pays a premium in exchange for the right to receive upon exercise of the option (i) in the case of a call option, the excess, if any, of the reference price or value of the underlier

(as determined pursuant to the terms of the option) above the option's strike price, or (ii) in the case of a put option, the excess, if any, of the option's strike price above the reference price or value of the underlier (as so determined). Under a conventional physically settled option structure, the purchaser of a call option has the right to purchase a specified quantity of the underlier at the strike price, and the purchaser of a put option has the right to sell a specified quantity of the underlier at the strike price.

A purchaser of an option may suffer a total loss of premium (plus transaction costs) if that option expires without being exercised. An option's time value (*i.e.*, the component of the option's value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the purchaser at various times prior to its expiration date, the purchaser's ability to realize the value of an option depends on when and how the option may be exercised. For example, the terms of the transaction may provide for the option to be exercised automatically if it is in-the-money on the expiration date. Conversely, the terms may require timely delivery of a notice of exercise, and exercise may be subject to other conditions (such as the occurrence or non-occurrence of certain events, such as knock-in, knock-out or other barrier events) and timing requirements, including the "style" of the option.

Uncovered option writing (*i.e.*, selling an option when the seller does not own a like quantity of an offsetting position in the underlier) exposes the seller to potentially significant loss. The potential loss of uncovered call writing is unlimited. The seller of an uncovered call option may incur large losses if the reference price or value of the underlier increases above the exercise price by more than the amount of any premiums earned. As with writing uncovered call options, the risk of writing uncovered put options is substantial. The seller of an uncovered put option bears a risk of loss if the reference price or value of the underlier declines below the exercise price by more than the amount of any premiums earned. Such loss could be substantial if there is a significant decline in the value of the underlier.

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 a client account 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.

Index Futures. The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts also is subject to Kodai's ability to correctly predict movements in the direction of the market.

Futures Contracts. Kodai may invest in futures contracts or options thereon on behalf of clients. The value of futures contracts depends upon the price of the assets, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which positions trade or of its clearinghouses or counterparties. Futures positions may be illiquid because, for example, many commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices on various commodities or financial instruments occasionally have moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent Kodai from promptly liquidating unfavorable positions and subject applicable client accounts to substantial losses. In addition, Kodai may not be able to execute futures contract trades at favorable prices if trading volume in such contracts is low. It is also possible that an exchange or a regulator may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only. In addition, various exchanges impose speculative position limits on the number of

positions that may be held in particular commodities. Trading in commodity futures contracts and options are highly specialized activities that may entail greater-than-ordinary investment or trading risks. Furthermore, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are generally not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities in which they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Portfolio due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which Kodai would otherwise recommend, to the possible detriment of clients. Market illiquidity or disruption could result in major losses to clients.

Risks of Sector-Specific Investments

Risks of Sector-Specific Investments. Kodai, on behalf of clients, invests in technology and technology-adjacent subsectors of the equities markets, including, without limitation, the information technology, communication services and industrials sectors. The following industry-specific risk factors are intended to provide a non-exclusive summary of certain risks attendant to certain industries in which Kodai generally invests. Kodai may invest in industries other than those listed below; furthermore, Kodai may invest in companies in the sectors listed below that are subject to additional risks not described below. These investments may represent core positions of client accounts, the profit or loss from which may have a material impact on the performance.

Investing in the Technology Sector. Investing in securities and other instruments of technology companies involves substantial risks. These risks include: the fact that certain companies in which Kodai invests may have limited operating histories; rapidly changing technologies and products that may quickly become obsolete; cyclical patterns in information technology spending, which may result in inventory write-offs, cancellation of orders and operating losses; scarcity of management, engineering and marketing personnel with appropriate technological training; the possibility of lawsuits related to technological patents; changing investors’ sentiments and preferences with regard to technology sector investments (which are generally perceived as risky) with their resultant effect on the price of underlying securities; and volatility in the U.S. securities markets affecting the prices of technology company securities, which may cause the performance of client accounts to experience substantial volatility.

Investing in the Media and Telecommunications Sector. Kodai may invest in media companies (which may engage in the production or distribution of television, film, radio, internet and other content) and telecommunications companies (which may provide traditional and wireless telephone services, paging, data transmission services, equipment retailing and internet services). Whereas traditionally media and telecommunications companies were considered to be in different sectors, these sectors have increasingly converged and oftentimes overlap in the services they provide. Companies in the media and telecommunications sector may encounter distressed cash flows due to the need to commit substantial capital to meet increasing competition, particularly in formulating new products and services using new technology. In addition, media and telecommunications companies may be subject to greater price volatility than the overall market due to a variety of factors, including: changing government regulations, changing consumer tastes, intense competition, and strong market reactions to technological developments throughout the industry.

Investing in the Industrials Sector. Kodai may invest in companies in the industrials sector, such as those involved in construction and manufacturing, transportation, industrial machinery and equipment, materials, metals and mining, and aerospace and defense. The industrials sector can be significantly affected by general economic trends, including employment, economic growth, and interest rates; changes in consumer sentiment and spending; the supply of and demand for specific industrial and energy products or services; government

regulation and spending; and global competition. For example, adverse changes in the prices of certain commodities and unit volume reductions resulting from an oversupply of materials used in industrials and energy equipment and services industries can adversely affect those industries. Furthermore, a company in the industrials sector can be subject to liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

Investing in Internet Companies. Kodai may invest in internet companies, including companies focused on e-commerce, social networking and online advertising. The securities of such companies can be volatile and the marketplace in which these companies operate are extremely competitive, particularly since this sector may not present the capital intensive barriers to entry that may exist in a more traditional retail commerce company. Because the markets in which these companies operate are so competitive, there can be no assurance that a company which has significant market share will be able to protect that market share as competitors develop technologies or interfaces that are substantially equivalent or superior to the technology of a company in which the Portfolio invests. Additionally, consumer tastes and preferences can change very quickly with the result that a company's market share may decrease rapidly if consumer focus shifts to its competitors. In addition, many of these companies may trade at very high multiples to current earnings; with their stock prices reflecting significant future growth which may or may not occur.

Investing in FinTech Companies. Kodai may also make investments in financial technology ("FinTech") companies. Such companies may have limited product lines, markets, financial resources or personnel. The FinTech industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, services and/or improvements in existing products. Additionally, in the United States many FinTech activities are regulated on a state-by-state basis with varying levels of requirements that often are subject to inconsistent judicial interpretations. These requirements include consumer protections (such as disclosure requirements and usury), licensing (such as non-bank lending, money transmission, and debt collection) and supervision (in particular banking and insurance). There is no assurance that products or services sold by these FinTech companies will not be rendered obsolete or adversely affected by competing products and services or that these companies will not be adversely affected by other challenges, including the changing regulatory environment. Additionally, FinTech-oriented companies are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

Investing in the Semiconductor Industry. Competitive pressures may have a significant effect on the financial condition of companies in the semiconductor industry. Clients are subject to the risk that companies that are in the semiconductor industry may be similarly affected by particular economic or market events. As product cycles shorten and manufacturing capacity increases, these companies may become increasingly subject to aggressive pricing, which hampers profitability. Semiconductor companies are vulnerable to wide fluctuations in securities prices due to rapid product obsolescence. Many semiconductor companies may not successfully introduce new products, develop and maintain a loyal customer base or achieve general market acceptance for their products, and failure to do so could have a material adverse effect on their business, results of operations and financial condition. Reduced demand for end-user products, underutilization of manufacturing capacity, and other factors could adversely impact the operating results of companies in the semiconductor industry. Semiconductor companies typically face high capital costs and such companies may need additional financing, which may be difficult to obtain. They also may be subject to risks relating to research and development costs and the availability and price of components. Moreover, they may be heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. Some of the companies involved in the semiconductor industry are also engaged in other lines of business unrelated to the semiconductor business, and they may experience problems with these lines of business, which could adversely affect their operating results. The international operations of many semiconductor companies expose them to risks associated with instability and changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations, competition from subsidized foreign competitors with lower production costs, tariffs and trade disputes, and other risks inherent to international business. The semiconductor industry is highly cyclical, which may cause the operating results of many semiconductor companies to vary significantly. Companies in the semiconductor industry also may be subject to competition from new market entrants. The stock prices of companies in the semiconductor industry have been and will likely continue to be extremely volatile compared to the overall market.

Investing in the Information Technology and Hardware Sector. Kodai may invest in companies in the information technology and hardware sector, including those in the semiconductor industry, and therefore the performance of client accounts could be negatively impacted by events affecting these companies. Investment risks associated with investing in information technology and hardware companies include, in addition to other risks, rapid product obsolescence due to technological developments, dramatic and often unpredictable changes in growth rates and competition for qualified personnel, short product life cycles, frequent new product introductions, government regulation, the loss of patent, copyright and trademark protections, evolving industry standards, cyclical market patterns, aggressive pricing and reduced profit margins, and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Investments in information technology and hardware companies, especially investments in smaller, less-seasoned companies, tend to be more volatile than the overall market.

Investing in the Software and Cybersecurity Sector. Kodai may make investments in the software and cybersecurity sector. A number of factors contribute to challenging conditions for business in this sector, including, new competing products and improvements in existing products which may quickly render existing products or technologies obsolete, rapidly changing and difficult to predict market conditions and consumer preferences, short product life cycles, scarcity of and high demand for management, technical, scientific, research and marketing personnel with appropriate training, and rapidly changing investor sentiments and preferences with regard to software and cybersecurity sector investments. As a result of such investments in the software and cybersecurity sector, any instability, fluctuation or general decline in the sector may cause client accounts to experience volatility.

Initial Public Offerings. Investments in initial public offerings (or securities newly issued in initial public offerings) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies 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. These factors may contribute to substantial price volatility for such securities, which may cause the performance of client accounts to experience substantial volatility.

Risks of Illiquid Investments. Kodai may invest in include privately held securities or other financial instruments which are generally less liquid than publicly traded securities. These investments will include companies that are expected to be illiquid for a significant period and may be in companies prior to their initial public offering, and in securities that are subject to lock-up periods or other restrictions on disposition. All privately held investments may require a significant amount of time from the date of initial investment before disposition and any investments in such privately held securities are not subject to voluntary redemption. To the extent that valuations are obtained for privately held securities or other less liquid financial instruments, there can be no assurance that the valuations assigned to such instruments will ever be realized. In addition, such privately held securities may be of companies with little or no profit or significant losses which create substantial uncertainties with regards to the performance of such securities.

Other Risks

Employee Retention. Kodai's efforts on behalf of the Portfolio are dependent upon the talents and efforts of highly skilled individuals employed by Kodai, and Kodai's ability to identify, attract, retain and motivate talented investment professionals and other employees. There can be no assurance that Kodai's investment professionals will continue to be associated with Kodai, and the failure to attract or retain such investment professionals could have a material adverse effect on clients.

Systems and Operational Risks. Clients depend on Kodai to develop and implement appropriate systems for its investment activities. Kodai relies heavily and on a daily basis on data processing systems to execute transactions across numerous and diverse markets and to evaluate certain securities and to generate risk management and other reports that are critical to oversight of client accounts. In addition, Kodai relies on information systems to store sensitive information about clients and Kodai. Certain of Kodai's activities will be dependent upon systems operated by third parties, including prime brokers, market counterparties and other service providers, and Kodai may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by Kodai, prime brokers, counterparties, exchanges and other parties could result in mistakes made in the confirmation or settlement of

transactions, or in transactions not being properly booked, evaluated or accounted for. Any of the foregoing failures or disruptions could have a material adverse effect on clients.

Cybersecurity Risk. As part of its business, Kodai processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the clients. Similarly, service providers of Kodai may process, store and transmit such information. Kodai has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network-connected services provided by third parties to Kodai may be susceptible to compromise, leading to a breach of Kodai's network. Kodai's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of Kodai's information systems may cause information relating to client transactions to be lost or improperly accessed, used or disclosed.

Kodai's service providers are subject to the same electronic information security threats as Kodai. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to client transactions may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of Kodai's proprietary information may cause Kodai or clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on clients.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Kodai's advisory business.

Item 10 Other Financial Industry Activities and Affiliations

The Firm and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Kodai maintains certain exemptions from registration with the U.S. Commodity Futures Trading Commission as a commodity pool operator with respect to certain clients that trade or are deemed to trade in commodity interests.

Kodai and its principals and employees will devote as much of their time to the activities of a particular client as they deem necessary and appropriate. Kodai and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities. These activities could be viewed as creating a conflict of interest in that the time and effort of Kodai and its principals and employees will not be devoted exclusively to the business of a particular client but will be allocated between the clients.

Principals, employees and affiliates of Kodai may hold significant investments in clients from time to time.

The Firm does not have any material relationships or arrangements with industry participants.

The Firm does not recommend or select other investment advisers for its clients.

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

Pursuant to Rule 204A-1 of the Advisers Act, Kodai has adopted a written Code of Ethics based on the principle that the Firm owes a fiduciary duty to clients. The Code of Ethics is designed to address and avoid potential conflicts of interest and is applicable to all employees. The Firm requires its employees to act in the best interests of clients, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

While employees generally may not purchase any listed, individual equity, debt, or derivative securities, employees may, however, purchase or sell listed individual equity, debt or derivative securities in limited circumstances, subject to written preclearance from the Firm's Chief Compliance Officer. Kodai requires employees to report personal securities transactions quarterly and provide the Firm with detailed holdings reports upon commencement of employment and annually thereafter (excluding accounts holding certain securities or discretionary accounts), and seek approval before engaging in certain transactions.

Kodai's Code of Ethics is available to clients and prospective clients or investors upon request.

Item 12 Brokerage Practices

In placing transactions for clients, we seek to obtain "best execution," meaning that we generally seek execution of securities transactions in such a manner that total costs or proceeds are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of execution, as well as the broker-dealer's full range and quality of services. Additionally, we periodically review the broker-dealers used as well as the commissions paid to evaluate best execution. Notwithstanding the foregoing, transactions for each client will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Subject to best execution, in selecting brokers and dealers to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, we may consider, among other things, the following:

- the ability of the brokers and dealers to effect the transaction;
- the brokers' or dealers' facilities, reliability and financial responsibility; and
- the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Soft Dollars

Kodai does not currently use soft dollars. However, Kodai enters into securities transactions with broker-dealers that provide it with access to research and research-related services as part of their bundled services. Kodai has a financial incentive to select a broker based on Kodai's interest in receiving the research or other products or services offered by such broker because we do not have to produce or pay for such research and/or services. We regularly receive research products or services directly from brokers and from third parties paid by brokers.

Brokerage for Client Referrals

Neither the Firm nor any related person receives client referrals from any broker-dealer or third party.

Directed Brokerage

Certain clients may instruct us to use one or more particular prime brokers, executing broker-dealers and/or counterparties for the transactions in their accounts, either with respect to all transactions in their accounts or otherwise in accordance with the Firm's best execution policies and procedures, as described herein. If clients choose to direct the Firm to use a particular broker or counterparty, this may prevent us from aggregating trades with other client accounts and from effectively negotiating brokerage commissions and similar pricing on their behalf. This practice may also prevent the Firm from obtaining a more favorable net price and execution. Clients that direct us to use a particular prime broker, executing broker-dealer and/or transaction counterparty are responsible for reviewing, approving and monitoring such parties. When directing brokerage business, clients should consider the pricing, execution, clearance, and settlement capabilities that they will obtain through their broker or counterparty in comparison to those that we would otherwise obtain for them. We encourage clients to contact us to discuss their available alternatives.

Cross Trades

From time to time, where permitted by applicable law, we may determine that a sale of positions from one account to another is in the best interests of both accounts. This may arise, for example, if one account is being wholly or partially liquidated to fund withdrawals, while another account has cash available for investment. Neither we nor our affiliates will receive commissions or otherwise profit from such cross trades, and the Firm's Chief Compliance Officer (or designee) is required to approve all cross trades in advance. Where required by applicable law, or in other appropriate circumstances as we determine in our discretion, we may obtain the consent of the affected clients prior to conducting such trades.

Order Aggregation

Kodai allocates investment opportunities among its clients, where appropriate, on a basis that Kodai deems fair and equitable on an overall basis to all applicable clients, generally based on gross market value (or another relevant metric as determined by Kodai to be fair and equitable on an overall basis to all applicable clients under the circumstances). However, Kodai is not required to allocate on a pro rata basis if, in its sole discretion, Kodai determines another manner would be fair and equitable on an overall basis to all applicable clients under the circumstances, taking into account relevant characteristics of each applicable client (in each case, both at the time of investment and on a prospective basis). Such characteristics and considerations may include, among other factors and without limitation, position size, amount of available capital, investment strategy, risk profile, geographic and sector weightings, liquidity, existing position size, overall portfolio composition, rebalancing exposures, participation in other opportunities, trading activity, legal, tax or regulatory constraints, anticipated capital activity, portfolio guidelines and restrictions as well as the relative size of different accounts' same or comparable portfolio holdings.

To ensure that accounts of all clients and portfolios are treated fairly in the event we place orders for the same security for more than one account at or about the same time, we may combine orders placed on behalf of accounts, including accounts in which the Firm or our employees have a significant interest, for the purpose of negotiating brokerage commissions or obtaining a more favorable price. All participating accounts will pay or receive an average price when orders executed on the same day are combined. Although the aggregation of trade orders is expected to benefit accounts overall, aggregation may, in any circumstance, disadvantage a particular account. There may be circumstances in which we determine not to aggregate client trade orders that otherwise could have been aggregated or in which aggregation is not feasible. In addition, Kodai may determine to trade a security held across multiple accounts at the same time in different manners. For example, Kodai may determine to sell a security in one account while purchasing the same security in another account, or determine to sell a security through a market order for one account and concurrently sell the same security through a limit order for another account. It is possible that an action taken on behalf of one account with respect to an investment could have material adverse effect on another account. Accounts where the client has elected to direct brokerage may trade the same securities at approximately the same time. In these circumstances, Kodai will seek to effect trading on behalf of accounts in a manner in which it believes is fair and equitable although Kodai does not control the trading processes for clients who have directed brokerage and, therefore, such clients may receive less favorable pricing.

Item 13 Review of Accounts

The composition and trading activity of client portfolios is monitored on a continual basis by our CIO, traders and other members of our investment team. The Firm's investment personnel meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to the clients holdings and potential investment opportunities. Additionally, a review of client portfolios may be triggered by any unusual activity or special circumstances.

We may provide periodic performance reports upon a client's request. In addition, clients will receive written statements directly from their account custodian on at least a quarterly basis. We will deliver to investors in the private funds audited written financial reports annually within 120 days after the end of each fiscal year. In addition, private fund investors will receive monthly unaudited written statements of their capital account balance and activity from the administrator of the applicable private fund.

Item 14 Client Referrals and Other Compensation

Kodai does not receive economic benefits from non-clients for providing investment advice or other advisory services. Neither Kodai, nor any of our related persons, directly or indirectly compensate any person who is not a supervised person, including placement agents, for client referrals.

Item 15 Custody

We do not maintain physical custody of clients' funds or securities. Clients' funds and securities will be held with a bank, broker-dealer, or other independent "qualified custodian" (as defined in the SEC's custody rule).

In our capacity as general partner, investment manager and/or investment adviser to the private funds, we are deemed to have custody of such private fund's assets. We maintain the private funds' cash and securities with a "qualified custodian" and provide investors in such private funds with an annual audited financial statement within 120 days of the end of such private fund's fiscal year. Such audits are conducted by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules.

Item 16 Investment Discretion

As noted in Item 4 above, we generally have discretionary authority with respect to investment decisions on behalf of clients, pursuant to the terms of the governing documents of the applicable client.

In all cases, we exercise our discretion in a manner consistent with the investment objectives each client states for its account or as stated in a pooled investment vehicle's offering documents, as applicable. In the case of a separately managed account, we may ask clients to provide us with written investment objectives or guidelines or to confirm their objectives, guidelines, or any trading restrictions when opening the account or at any time after we begin to manage the account.

Item 17 Voting Client Securities

Where clients have delegated us authority, we will vote proxies on their behalf. To the extent a client elects to retain proxy voting authority, the client will remain responsible for exercising its right to vote as a shareholder for all securities maintained in its portfolio.

Kodai has authority to vote proxies with respect to securities held by the private funds. The investors in the private funds may not direct our vote in a particular solicitation.

We have adopted proxy voting policies and procedures designed to satisfy our duties relating to proxy voting. Proxy voting decisions will be made in light of the anticipated impact of the vote on the desirability of maintaining an investment in a company, from the viewpoint of the best interests of the clients, without regard to any other interests.

We have adopted proxy voting policies and procedures designed to ensure that we vote proxies in the best interest of our clients. Kodai will generally seek to vote proxies in a way that maximizes the value of client assets. In light of our fiduciary duty to clients and given the complexity of the issues that may be raised with proxy votes, Kodai has retained an independent third-party proxy voting service provider, Institutional Shareholder Services Inc. ("ISS"), to assist it in coordinating, administering (including the maintenance of required records), processing, and voting of certain client proxies. These services also include proxy voting recommendations and research. Kodai may vote against any recommendation from ISS if it determines that doing so is in the best interests of the relevant client and otherwise is consistent with Kodai's Proxy Voting Policy and Procedures.

At times, Kodai may not be able to vote proxies on behalf of clients when clients' holdings are in countries that restrict trading activity around proxy votes. We attempt to identify any conflicts of interests between the interests of our clients and our own interests within our proxy voting process. If we determine that Kodai or one of our employees faces a material conflict of interest in voting a proxy (e.g., an employee of Kodai may personally benefit if the proxy is voted in a certain direction), our procedures generally provide for ISS as an independent party to determine the appropriate vote. We will use our best judgment to vote proxies in the best interests of our clients and will typically follow the recommendations of ISS. In the case of a conflict, we will seek to vote the proxy in the best interest of clients.

Any of our clients, or any underlying investor in any of our clients, may request a copy of our proxy voting policy and procedures as well as relevant information concerning how we voted client securities, by e-mail at Compliance@Kodai.com.

Item 18 Financial Information

Kodai is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

N/A