

PART 2A OF FORM ADV
FIRM BROCHURE



Chalkstream Capital Group, L.P.
444 Madison Avenue, 22nd Floor
New York, New York 10022
Tel: (212) 707-6100 • Fax: (212) 707-6150
<http://www.chalkstreamcapital.com/>

March 25, 2024

This brochure provides information about the qualifications and business practices of Chalkstream Capital Group, L.P. (“Chalkstream”). If you have any questions about the contents of this brochure, please contact Ron Rosenstrauss at (212) 707-6100 or by email at ron.rosenstrauss@chalkstreamcapital.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 Chalkstream is also available on the SEC’s website at www.adviserinfo.sec.gov.

Chalkstream is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). SEC registration does not imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

This amendment update to our firm brochure (the “Brochure”) amends the last annual amendment of the Brochure dated March 29, 2023.

Below is a summary and discussion of all material changes from the version that was filed with the SEC on March 29, 2023. In the future, when we amend the Brochure for our annual update, and the amended version contains material changes from the last annual update, we will identify and discuss those changes either on this page or as a separate document accompanying the Brochure. For documentation purposes, we will always provide the date of the last update of the Brochure.

- This Brochure amends the most recent annual update to incorporate certain changes and updates that Chalkstream does not believe constitute material changes.

Clients and prospective clients should read this Brochure carefully in its entirety.

ITEM 3 - TABLE OF CONTENTS

	<u>Page</u>
ITEM 2 – MATERIAL CHANGES	I
ITEM 3 - TABLE OF CONTENTS	II
ITEM 4 – ADVISORY BUSINESS	1
ITEM 5 – FEES AND COMPENSATION	3
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	5
ITEM 7 – TYPES OF CLIENTS	6
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	7
ITEM 9 – DISCIPLINARY INFORMATION	22
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	23
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	24
ITEM 12 – BROKERAGE PRACTICES	25
ITEM 13 – REVIEW OF ACCOUNTS.....	26
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	27
ITEM 15 – CUSTODY	28
ITEM 16 – INVESTMENT DISCRETION	29
ITEM 17 – VOTING CLIENT SECURITIES.....	30
ITEM 18 – FINANCIAL INFORMATION	31

ITEM 4 – ADVISORY BUSINESS

Chalkstream, a Delaware limited partnership, was founded in January 2004 by Andrew K. Tsai and Peter Muller. Chalkstream currently provides discretionary investment advisory services, including, but not limited to, managing and directing the investment and reinvestment of assets for the following U.S. and non-U.S. private investment funds:

- Chalkstream Investment Fund, L.P., a Delaware limited partnership (the “Domestic Investment Fund”); and
- Chalkstream Investment Fund (International), Ltd., a Cayman Islands exempted company (the “Offshore Investment Fund”, and together with the Domestic Fund, the “Flagship Funds”).

Chalkstream also provides non-discretionary investment advisory services to the Chalkstream Insurance Fund Series of the SALI Multi-Series Fund, L.P. (the “Insurance Fund”).

Chalkstream acts as the investment manager of the Offshore Investment Fund, the management company of the Domestic Investment Fund, and an investment sub-adviser to the Insurance Fund (together, the “Advisory Clients”). An affiliate of Chalkstream, Chalkstream GP, L.L.C. (“Chalkstream GP”), a Delaware limited liability company, acts as the general partner of the Domestic Investment Fund.

Chalkstream or its affiliates may also act in an investment advisory capacity to certain wholly-owned subsidiaries of the Funds used to carry out certain investment objectives of the Funds.

The general partner of Chalkstream is Chalkstream Capital Management, L.L.C. (“Chalkstream Capital Management”), a Delaware limited liability company of which Andrew K. Tsai is the managing member and Peter Muller is a special non-managing member. Mr. Tsai and Mr. Muller are also the sole limited partners of Chalkstream. Mr. Tsai and Mr. Muller, both directly and through their interests in Chalkstream Capital Management, are the owners of Chalkstream but are not involved in Chalkstream’s provision of advisory services to its Advisory Clients.

Each of the Flagship Funds may be referred to individually in this Brochure as an “Investment Fund” and together as the “Investment Funds”. Each of the Investment Funds and the Insurance Fund may be referred to individually in this Brochure as a “Fund” and together as the “Funds.” The terms for each Fund are disclosed in detail in the relevant Fund’s offering documents that are provided to prospective investors prior to investment.

As further described in Item 8 below, the primary source of return generation of the Funds comes from the selection of a limited number of portfolio managers (the “Portfolio Managers”) and the investment funds they operate (each, a “Hedge Fund”), and in certain classes of the Flagship Funds only, certain longer-duration investments (each, a “Special Investment”) targeted by the Flagship Funds. Chalkstream historically also allocated capital to hedging and direct trading investment strategies but has since discontinued these strategies.

Generally, investors in any of the Funds do not have the ability to individually tailor their investments or impose specific investment restrictions. However, when deemed appropriate, a Fund may create a special class of interests or shares to accommodate a particular investor’s or a group of investors’ unique investment restrictions.

Chalkstream does not participate in wrap fee programs.

As of January 1, 2024, and based on December 31, 2023 preliminary numbers provided by the independent fund administrator, Chalkstream and its affiliates manage approximately \$298 million of Advisory Client assets on a discretionary basis. As of January 1, 2024, and based on December 31, 2023 numbers provided by the independent fund administrator, Chalkstream and its affiliates manage approximately \$42.2 million of Advisory Client assets on a non-discretionary basis. It should be noted that the assets under management disclosed here has been calculated differently than that of “regulatory assets under management” as disclosed in Chalkstream’s Form ADV Part 1, Item 5.F.

ITEM 5 – FEES AND COMPENSATION

As previously disclosed as effective January 1, 2023, Chalkstream continues to operate under a reduced operational footprint and has ceased active marketing of the Funds and its advisory services and engages in only limited monitoring of its remaining investment portfolios. Chalkstream previously returned capital to investors, wholly unwound certain classes of interests in the Funds, and modified the terms of the remaining share classes. The below schedule of fees reflects those currently effective that are applicable to investors who continue to own interests in the Funds.

Unless otherwise provided in the applicable side letters, Chalkstream is compensated for its advisory services with respect to each Fund as follows:

- **The Flagship Funds**

- **Main Fund interests/shares:** Chalkstream receives a management fee, payable quarterly in advance, equal to 0.125% (0.50% per annum) of the value of each investor's capital account or shares. There is no incentive allocation applicable to such interests, however, Chalkstream will receive 33% of any revenue or profit share payable by any Portfolio Manager in the Hedge Fund portfolio as it relates to any Revenue Participation Agreements, as defined in Item 8.

Chalkstream also receives a management fee, payable quarterly in advance, equal to 0.25% (1.00% per annum) of the value of the assets held in an investor's Special Investment capital account and (ii) 15% of net realized profits in a specific Special Investment, subject to a cumulative hurdle and any amount in the loss recovery account.

- **The Insurance Fund**

- Chalkstream receives a management fee, payable monthly in advance, equal to 0.0333% (0.4% per annum) of the value of each investor's capital account or shares. There is no incentive allocation applicable to such interests, however, Chalkstream will receive 33% of any revenue or profit share payable by any Portfolio Manager in the Hedge Fund portfolio as it relates to any Revenue Participation Agreements, as defined in Item 8.

Chalkstream or its affiliates deduct fees from the Funds' assets. The management fee is generally paid to Chalkstream from the Funds either monthly or quarterly in advance (adjusted for subscriptions during the calendar quarter). The incentive allocation or fee, as applicable, is generally allocated or paid to Chalkstream or its affiliates upon the realization or deemed realization of each Special Investment. Any revenue or profit share allocation or fee, as applicable, is generally allocated or paid to Chalkstream or its affiliates upon the Funds earning any amount related to a Revenue Participation Agreement with a Portfolio Manager.

Chalkstream's fees with respect to the Funds are generally not negotiable. Notwithstanding the foregoing, Chalkstream has elected to offer reduced fees to certain investors in one or more Funds and certain persons affiliated with Chalkstream do not pay any fees to invest in the Funds.

Investors in a Fund are generally limited in their ability to terminate participation in the Fund. The respective Fund's offering documents will disclose the applicable redemption and transfer restrictions.

In addition to the management fee and incentive allocation or fee described above, each Fund shall bear its own expenses. Such expenses vary by Fund, but generally include the following (note, however, that this is not a complete list of expenses): investment expenses; professional fees relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the Funds; research

related expenses (including research-related travel expenses, operational due diligence on existing and/or potential new Portfolio Managers (including the use of operational due diligence and background check service providers), and research and market data, news and quotation equipment and services); administrative expenses; legal and compliance expenses (including expenses relating to engagement of third-party compliance service providers); external accounting and valuation expenses; audit and tax preparation expenses; investor-related correspondence; entity-level taxes; corporate licensing; regulatory expenses; organizational expenses; expenses related to directors' and officers' insurance (e.g., D&O/E&O and indemnification insurance) (if applicable); fees to the administrator; indemnification expenses; expenses incurred in connection with the offering and sale of Fund shares/interests, including, but not limited to, expenses (including compliance related expenses) incurred by Chalkstream or a GP pursuant to applicable law in connection with the offer and sale of shares/interests in any jurisdiction, litigation, indemnification and other extraordinary expenses. An investor in a Fund may be bearing expenses (including litigation expenses) incurred by the Fund relating to investment(s) that such investor has not participated in. To the extent that expenses to be borne by a Fund are paid by Chalkstream or the Chalkstream GP, the relevant Fund will reimburse that party for such expenses.

As mentioned in Item 4 above, Chalkstream primarily utilizes an investment strategy that is focused on investing Advisory Client assets in other Hedge Funds managed by the Portfolio Managers (including funds managed by Chalkstream and its affiliates) and thereby subjecting the Funds to an additional level of compensation. The Funds will bear fees, expenses and performance-based allocations in connection with its investments, which generally include management fees and performance fees or incentive allocations. In the aggregate, these expenses and compensation can be substantial, could exceed the compensation typically incurred from a direct investment and could have a material adverse effect on the value of any investment in the Funds.

Moreover, these Hedge Fund expenses and compensation may be higher than the expenses and compensation of comparable investment vehicles. Investors will also incur brokerage and other transaction costs directly related to each Fund's hedging program. Refer to Item 12 – Brokerage Practices for further information.

It is critical that investors refer to the relevant Fund's offering documents for a complete understanding of how Chalkstream is compensated for its advisory services. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund's offering documents.

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

As described in Item 5 above, Chalkstream or Chalkstream's affiliate receives performance-based compensation in the form of an incentive allocation or fee. It should be noted that the possibility that Chalkstream or its affiliate could receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for Chalkstream to effectuate larger and more risky transactions than would be the case in the absence of such form of compensation.

Chalkstream presently provides investment advisory services to the Funds, which provide Chalkstream with varying levels of compensation. As such, there is a potential conflict of interest related to managing accounts that provide Chalkstream with performance-based fees alongside accounts that charge lower or no performance-based fees. In order to address this potential conflict, Chalkstream has adopted a policy that it will generally make allocation decisions based upon the best interests of all Funds on a fair and equitable basis consistent with Chalkstream's fiduciary obligations.

ITEM 7 – TYPES OF CLIENTS

Chalkstream provides investment advisory services to the Advisory Clients. The minimum capital contributions or account balances in the Advisory Clients are as follows:

- **The Domestic Investment Fund - Main Fund Interests:** \$5 million initial capital contribution and \$1 million additional capital contribution, each subject to the sole discretion of Chalkstream GP to accept lower amounts. Additionally, Chalkstream GP may disallow the partial withdrawal of capital by any investor, if as a result of, or prior to, such withdrawal, the aggregate balance of such investor's capital account(s) would be less than \$500,000.
- **The Offshore Investment Fund - Main Fund Shares:** \$5 million initial subscription for shares and \$1 million additional subscription for shares, each subject to the discretion of the board of directors of each Fund to accept lower amounts (but in no event less than such minimum amounts as may be set out under Cayman Islands law from time to time). Additionally, the board of directors, in its sole discretion, may disallow the partial redemption of shares by any investor, if as a result of, or prior to, such redemption the investor's shares would be less than \$500,000.
- **The Insurance Fund:** \$1 million initial capital contribution and \$1 million additional capital contribution, each subject to the sole discretion of SALI Fund Partners, LLC (the "SALI GP") to accept lower amounts. Additionally, SALI GP may disallow the partial withdrawal of capital by any investor, if as a result of, or prior to, such withdrawal, the aggregate balance of such investor's capital account(s) would be less than \$1 million.

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

Methods of Analysis and Investment Strategies

Chalkstream invests the assets of the Flagship Funds in a relatively concentrated number of investments with the intention of generating an attractive and uncorrelated return. Chalkstream follows a disciplined research process that emphasizes Space, Partner, and Structure.

- Space: Chalkstream seeks to identify compelling spaces (defined as a particular geographic region, sector, asset class, or time horizon or any combination thereof) that are dislocated or overlooked, where the opportunity for alpha generation is high.
- Partner: Chalkstream seeks to partner with experts in those spaces who typically have many years of relevant experience, a unique investment approach and a demonstrated ability to generate attractive risk-adjusted returns, and who otherwise possess high marks for character and judgement.
- Structure: Chalkstream believes that no single structure is perfectly suited for all investment opportunities. Thus, Chalkstream has developed in-house resources to create customized structures for each investment, as necessary. Chalkstream also seeks to control risk and create maximum optionality for the portfolio through structuring, as described below.

Chalkstream follows a rigorous and thorough due diligence process (detailed below) for all investments, which may take the form of hedge funds or special investments.

Hedge Fund Portfolio (Main Fund Interests/Shares of the Flagship Funds and Insurance Fund)

Effective January 1, 2023, Chalkstream engages in only limited monitoring of the Hedge Fund Portfolio and may determine to liquidate one or more positions in the Hedge Fund portfolio at such times and in such manner that it determines appropriate in its sole discretion. The below description provides information related to Chalkstream's historical method of analysis related to the Hedge Fund Portfolio.

Chalkstream historically allocated the majority of the capital of the Fund to relatively liquid investments (referred to herein as “Hedge Funds”). The common trait amongst Hedge Funds is that the Fund will generally have the ability to increase or reduce its exposure to individual Hedge Funds by adding capital or by redeeming capital at predetermined dates. Hedge Fund investments can take on different forms (including but not limited to):

- Third Party Funds: Chalkstream has a long history of allocating the capital of the Fund to third party hedge fund strategies across different asset classes, geographies and sectors. Allocations to third party funds may be executed as an arm's length transaction (traditional fund investment) or with a higher degree of strategic involvement.
- Revenue Participation Arrangements: The Fund may enter into revenue participation agreements with third parties in exchange for providing trading capital and/or working capital. Hedge Fund revenue participation arrangements will typically be entered into with third party investment firms where the Fund has made an allocation to a fund or a managed account advised by such third party investment firm.

Special Investment Portfolio (Flagship Funds)

Effective January 1, 2023, Chalkstream engages in only limited monitoring of the Special Investment Portfolio and does not intend to make any new Special Investments. The below description provides information related to Chalkstream's historical method of analysis related to the Special Investment Portfolio.

The Flagship Funds also allocate capital to investments of longer intended duration (referred to herein as “Special Investments”). Special Investments are intended to complement the core Hedge Fund investment program of the Fund through opportunistic allocation of capital to less liquid or longer-duration investments. Chalkstream believes that certain investments with longer investment horizons can offer higher return expectations than Hedge Fund investments while also providing diversification to the overall portfolio. For the avoidance of doubt, Chalkstream may determine that, for various reasons, an investment that initially was not designated as a Special Investment should be deemed to be a Special Investment. Special Investments can take on different forms (including but not limited to):

- **Third Party Funds:** Chalkstream will conduct research on less-liquid strategies, such as private equity funds, direct lending funds, royalty funds and real estate funds (amongst others) and may cause the Fund to allocate to such third party funds. These funds typically do not offer regular liquidity to investors until underlying investments are fully realized.
- **Direct Investments:** The Fund may make other less liquid investments that are not allocations to third party funds. To date, these investments have taken the form of direct ownership in trading-oriented financial technology companies and direct ownership of real assets. In all cases to date, a third party has discretion over the financial instruments or real assets that these direct investments hold.
- **Revenue Participation Arrangements:** The Fund may enter into revenue participation agreements with third parties in exchange for providing investing capital and/or working capital. Special Investment revenue participation arrangements will typically be entered into with third party investment firms where the Fund has made an allocation to a fund managed by such third party investment firm (as described above).

The Funds have broad and flexible investment authority. The Funds may have other strategies or engage in other activities than those described herein. It is critical that investors refer to the relevant Fund's offering documents for a complete understanding of that Fund's investment objective and strategies. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund's offering documents.

An investment in the Funds may be deemed speculative and is not intended as a complete investment program. The Funds are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Funds.

Risk of Loss

Operating History. A Portfolio Manager may have a limited operating history upon which to evaluate its future performance. The past investment performance of any of the Portfolio Managers with which the Funds invest or any of the Funds (or any other vehicle managed by Chalkstream) should not be construed as an indication of the future results of the Portfolio Managers or of the Funds.

Dependence on Chalkstream and the Portfolio Managers. Chalkstream invests assets of each Fund through Portfolio Managers. The success of the Funds is dependent not only on the investment performance of individual Portfolio Managers and the ongoing ability of Chalkstream to select and allocate effectively the Funds' assets among Portfolio Managers, but also on the ability of Chalkstream to successfully implement investment strategies that achieve the Funds' investment objective. For example, a Portfolio Manager's inability to effectively hedge an investment strategy may cause the assets of the Funds invested with such Portfolio Manager to significantly decline in value and could result in substantial losses to the Funds. In addition, subjective decisions made by Chalkstream or the Portfolio Managers may cause the Funds to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Moreover, although Chalkstream may allocate assets of the Funds to Portfolio Managers who use different investment strategies, there can be no assurance that market or other events will not have an adverse impact on the strategies employed by multiple Portfolio Managers.

Absence of Regulatory Oversight. The Funds are not required to register as investment companies and have not registered as such under the U.S. Investment Company Act of 1940, as amended (the "Company Act"). Thus, the provisions of the Company Act intended to provide various protections to investors are not applicable. Moreover, Hedge Funds are generally not registered as investment companies, and the Funds, in turn, are not provided the protections of the Company Act. The investment activities of the Funds and the Hedge Funds are not subject to Company Act provisions that limit the use of leverage and regulate other investment practices. Hedge Funds generally do not maintain their securities and other assets in the custody of a bank or a member of a securities exchange, as generally required of registered investment companies, in accordance with certain rules of the SEC. A registered investment company that places its securities in the custody of a member of a national securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions designed to protect the assets of the investment company. It is anticipated that the Hedge Funds generally will maintain custody of their assets with brokerage firms that do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the U.S. Securities Investor Protection Act, as amended, the bankruptcy of any such brokerage firm could have a greater adverse effect on the Fund than would be the case if the custody of assets were maintained in accordance with the requirements applicable to registered investment companies. There is also a risk that a Portfolio Manager could convert to its own use assets committed to it by the Fund or that a custodian could convert to its own use assets committed to it by a Portfolio Manager. There can be no assurance that the Portfolio Managers or the entities they manage will comply with all applicable laws and that assets entrusted to the Portfolio Managers will be protected.

Business and Regulatory Risks of Hedge Funds. Legal, tax, and regulatory developments could occur that may adversely affect the Funds. Securities and futures markets are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The regulatory environment for private funds is evolving, and changes in the regulation of private funds and their trading activities may adversely affect the ability of the Funds to pursue their investment strategies, their ability to obtain leverage and financing and the value of investments held by the Funds. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. For instance, the SEC

issued an emergency order in September 2008 temporarily banning short-selling of publicly traded securities of certain financial firms and requiring institutional investment managers, including hedge fund managers, to file a report each week disclosing their short selling and short positions in most U.S.-listed equity securities for each day of the prior week. On or about the same time, other jurisdictions (e.g., United Kingdom, Australia, Ireland) enacted emergency regulations, imposing similar regulations to those enacted by the SEC. It is impossible to predict what, if any, changes in regulations may occur, but any regulations which restrict the ability of the Funds to trade in securities or the ability of the Funds to employ, or brokers and other counterparties to extend, credit in their trading (as well as other regulatory changes that result) could have a material adverse impact on the Funds' portfolios.

The Funds and Chalkstream may also be subject to regulation in jurisdictions in which the Funds and Chalkstream engage in business. Investors should understand that the Funds' business is dynamic and is expected to change over time. Therefore, the Funds may be subject to new or additional regulatory constraints in the future. We cannot address or anticipate every possible current or future regulation that may affect Chalkstream, the Funds or their businesses. Such regulations may have a significant impact on the investors or the operations of the Funds, including, without limitation, restricting the types of investments the Funds may make, preventing the Funds from exercising its voting rights with regard to certain financial instruments, requiring the Funds to disclose the identity of their investors or otherwise. Chalkstream may, in its sole discretion, cause the Investment Funds to be subject to such regulations if it believes that an investment or business activity is in the Investment Funds' interest, even if such regulations may have a detrimental effect on one or more investors in the Investment Funds. Prospective investors are encouraged to consult their own advisors regarding an investment in the Funds.

Limited Liquidity. An investment in the Funds provides limited liquidity since interests/shares are not freely tradable and generally an investor has limited rights to withdraw/redeem all or a portion of its interests/shares. Additionally, an investor has no right to withdraw/redeem any of its interest/shares related to Special Investments. Special Investments such as private equity funds should be expected to take up to three to five years or longer to draw down capital from the Flagship Funds and up to 10 years or longer to return capital and profits, if any, to the Flagship Funds. In addition, certain investments, e.g., seed deals and real estate investments, may have even longer durations and, if successful, may continue to generate K-1 statements for investors in the Domestic Investment Fund for an indeterminate number of years. Furthermore, distributions of proceeds upon an investor's redemption may be delayed or limited, in Chalkstream's discretion, because of restrictions imposed upon redemptions or payments of amounts redeemed by any Hedge Fund in which, or any investment advisory agreements under which, the Funds' assets have been invested, or where the disposal of part or all of the Funds' assets to meet redemption requests would be prejudicial to any investor. The Funds may also temporarily suspend the right of investors to make withdrawals/redemptions if Chalkstream or its affiliates, in their discretion, determine that the value of the assets of the Funds cannot fairly be computed due to market disruption, the suspension of trading in any market, or other unusual events. With respect to an investor that has fully withdrawn its withdrawable Interests in the Fund and would like to receive liquidity with respect to its Interests attributable to its capital that has been allocated to a Special Investment Account or designated as reserves or SI Reserves, in addition to other privately negotiated transfers approved by the GP, such investor may sell such Interests through secondary sale platform(s) approved by the GP; *provided* that (i) the GP has sole discretion to approve any buyer of such Interests, (ii) such investor must sell 100% of such Interests, (iii) the GP may impose any other restrictions in connection with such sale that the GP believes are in the best interest of the Fund, (iv) the GP may, but does not have any obligation to, provide any information relating to the underlying Special Investments to the buyer of such Interests, (v) none of the GP, Chalkstream or any of their respective affiliates shall recommend or otherwise assist the investor with such sales and (vi) the investors understand that an affiliate or related party of the GP or Chalkstream may buy such Interests from time to time (without any obligation to do so in the future), in which case such buyer shall have access to information relating to the Interests that such selling investor may not have.

Limited Rights and Information. As an investor in a Hedge Fund or Special Investment, each of the Funds has limited rights with respect to its investment interest, including limited voting rights and participation in the management of the applicable portfolio fund. A portfolio fund that the Funds invest in that is managed and advised by a Portfolio Manager (with respect to Hedge Fund investments) or other manager (with respect to Special Investments) (other than Chalkstream) is not subject to transparency requirements, including transparency with respect to pricing and valuation information or trading strategies of the portfolio fund. In addition, some portfolio funds further restrict the amount and type of information that its investors that are pooled investment vehicles, such as the Funds, may disclose to their own investors. Accordingly, investors will not be entitled to receive the same information, including offering documentation and certain details regarding investment returns, as those investing directly in such portfolio funds. In addition, because the Funds (and not the investors in the Funds) is the investor in a portfolio fund, investors themselves do not have the rights (contractually or under securities laws) with respect to such portfolio fund that are available to such portfolio fund's direct investors.

Possible Adverse Effects of Substantial Withdrawals or Redemptions of Capital. In the event that there are substantial withdrawals or redemptions from a Fund within a limited period of time, Chalkstream may find it difficult to adjust its asset allocations and trading strategies to the suddenly reduced amount of assets under management. Similarly, in the event that there are substantial withdrawals or redemptions from a Portfolio Manager's fund within a limited period of time, the Portfolio Manager may find it difficult to adjust its asset allocation and trading strategies. Under such circumstances, in order to provide funds to pay withdrawals or redemptions, Chalkstream or the Portfolio Managers may be required to liquidate positions at an inappropriate time or on unfavorable terms. On an ongoing basis, irrespective of the period over which substantial withdrawals or redemptions occur, it may be more difficult for a Fund or a Portfolio Manager to generate additional profits operating on a smaller asset base and, as a result of liquidating assets to fund withdrawals or redemptions, that Fund may be left with a much less liquid portfolio.

Compensation Arrangements with Chalkstream and the Portfolio Managers. Chalkstream receives an allocation or fee based on income earned from Revenue Participation Agreements, and with respect to Special Investments in the Flagship Fund only, an incentive allocation or fee based upon the gains realized or deemed realized or any current income from a Special Investment. The incentive allocation or fee and the incentive compensation of the Hedge Funds may create an incentive for Chalkstream and the Portfolio Managers, respectively, to make riskier investments than they might otherwise make in the absence of such compensation.

Tiered Fee Structure. The Flagship Funds allocates capital to hedge funds, direct trading, private equity, real estate and other longer-duration investments in a single fund structure (the Insurance Fund only allocates capital to hedge funds). Investment management fees, incentive fees and incentive allocations are charged to or allocated from, as the case may be, the Funds by Chalkstream, the GPs and the Portfolio Managers. As a result, the Funds, and indirectly an investor in the Funds, bear multiple fees and incentive allocations, that in the aggregate, exceed the fees and incentive allocations that would typically be incurred by a direct investment with a single Portfolio Manager or Hedge Fund. The Funds may also invest in Hedge Funds that invest in other investment vehicles.

Independent Portfolio Managers. The Portfolio Managers generally invest wholly independently of one another and may at times hold economically offsetting positions. To the extent that the Portfolio Managers do, in fact, hold such positions, the Funds, considered as a whole, may not achieve any gain or loss despite incurring investment expenses, including, without limitation, performance-based compensation. In addition, there may often be times when a particular Portfolio Manager may receive an incentive fee in respect of the Funds' investments for a period even though the Fund's overall portfolio depreciated during such period. It is also possible that the performance of certain Portfolio Managers may be closely correlated in some market conditions, resulting (if those returns are negative) in significant losses to the Funds and their investors.

Proprietary Investment Strategies. A Portfolio Manager may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to Chalkstream or the Funds. These strategies may involve risks under some market conditions that are not anticipated by the Portfolio Manager, Chalkstream or the Funds. The Portfolio Managers generally use investment strategies that differ from those typically employed by traditional managers of portfolios of stocks and bonds. The strategies employed by the Portfolio Managers may involve significantly more risk and higher transaction costs than more traditional investment methods. The Funds seek to reduce these risks by spreading the investments of the Funds among a few different Portfolio Managers using investment strategies with returns that are not expected to be highly correlated with one another.

Investment and Trading Risks in General. All investments made by the Funds risk the total loss of capital. The Portfolio Managers may use such investment techniques as margin transactions, short sales, option transactions, and forward and futures contracts. In certain circumstances, these practices can maximize the adverse impact to which the Funds may be subject. No guarantee or representation is made that the Funds' investment programs, including, without limitation, the Funds' investment objectives, diversification strategies or risk monitoring goals, will be successful, and investment results may vary substantially over time.

In-Kind Distributions; Liquidating SPVs. The Funds anticipate that all distributions to investors will be made in cash, but there can be no assurance that the Funds will have sufficient cash to satisfy withdrawal requests. The Investment Funds may make distributions in kind in the sole discretion of Chalkstream and without notifying non-affected investors, including without limitation, due to the inability to liquidate investments in Hedge Funds during a timeframe which would provide adequate funds to pay requested withdrawals. In-kind distributions may be comprised of, among other things, interests in special purpose vehicles or trading vehicles (each, a "Liquidating SPV") holding investments in Hedge Funds that were held or are being held by the Investment Funds, or participations or other derivatives instruments referring to such investments held by the Investment Funds.

If a Fund makes an in-kind distribution to a withdrawing investor then, unless otherwise determined by Chalkstream in its sole discretion, such withdrawing investor will receive interests in a Liquidating SPV or other asset, the value of which will reflect such withdrawing investor's share of the net asset value of the applicable investment on the relevant withdrawal/redemption date.

A distribution in respect of a withdrawal may be made in cash or in-kind, or any combination thereof, as determined by Chalkstream or the SALI GP, in its sole discretion. Chalkstream or the SALI GP will determine the percentage of any distribution to be made in cash and the percentage to be made in-kind, as well as the particular investments, if any, to be distributed. Unless otherwise determined by Chalkstream in its sole discretion, distributions that are made in-kind will, to the extent practicable, not be disproportionately allocated to any investor or investors. However, a prior or contemporaneous in-kind distribution to some investors will not affect the Funds' right to distribute cash to investors.

The Investment Funds expect that, in the event that the Investment Funds utilize a Liquidating SPV to facilitate in-kind distributions, Chalkstream would manage such Liquidating SPV with the intention of distributing the net proceeds attributable to the investments held by such Liquidating SPV as they are liquidated. The Liquidating SPV would not make new investments.

Investments distributed in kind may be illiquid or difficult to value, may not be readily marketable or salable and may have to be held by an investor for an indefinite period of time. Such investments will continue to be subject to market conditions and may fluctuate in value following the relevant withdrawal/redemption date. There can be no assurance that the withdrawing investor will be able to liquidate such investments at a value equal to or greater than the value of the investments determined as of the relevant withdrawal/redemption date. The risk of loss and delay in liquidating these investments will be borne by the investor, with the result that such withdrawing/redeeming investor may ultimately receive significantly less cash than it would have received following the withdrawal/redemption date if it had been paid in cash. Furthermore, to the extent that a withdrawing/redeeming investor receives interests in a Liquidating SPV, such

withdrawing investor will generally have no voting rights or any control over when and at what price the investments in such Liquidating SPV are sold.

MiFID II. The European Union's (the "EU") second Markets in Financial Instruments Directive 2014/65/EU, laws and regulations introduced by Member States of the EU to implement it and the EU's Markets in Financial Instruments Regulation 600/2014 (together "MiFID II"), which came into force on 3 January 2018, impose new regulatory obligations and costs on EU trading venues and investment firms such as broker-dealers and distributors.

While the AIFM Directive provides the legislative framework for alternative investment fund management, MiFID II covers virtually all other investment services and activities. MiFID II also encompasses market structural reforms and trading obligations, enhanced transparency requirements both pre- and post-trade and numerous investor protection-type requirements which extend to product design and governance to conflicts of interest and inducements.

The United States is not part of the EU and has not implemented MiFID II. Nevertheless, MiFID II has extra-territorial reach beyond the EU and does impact non-EU entities depending on extent of nexus with the EU. Any regulatory changes arising from implementation of MiFID II may increase the expenses of the Fund or the Investment Manager related to compliance with MiFID II and may have a negative impact.

In particular, MiFID II requires certain standardised OTC derivatives to be executed on regulated trading venues. The overall impact of MiFID II is uncertain and it is unclear how the OTC derivatives markets will adapt to these new regulatory regimes. MiFID II also introduces for the first time within the EU position limit and position reporting requirements in relation to certain commodity derivatives. These measures will impose restrictions on the positions that the Fund may hold in certain commodity derivatives and will be required to more actively monitor such positions. If positions reach the position limit thresholds, the positions will have to be reduced in order to comply with such limits.

In addition, MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments such as depositary receipts, ETFs and certificates that are traded on regulated trading venues as well as to cover non-equities such as bonds, structured finance products, emission allowances and derivatives. The increased transparency regime under MiFID II, together with the restrictions on the use of "dark pools" and other trading venues, will mean a wealth of new information relating to price discovery becoming available. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the net asset value.

Volatile Markets. The prices of commodities contracts and various types of derivative instruments are highly volatile. Price movements of forward contracts, futures contracts, and other derivative contracts are influenced by, among other things, interest rates; changing supply and demand relationships; and trade, fiscal, monetary and exchange control programs and policies of governments; and national and international political and economic events and policies. In addition, governments from time to time intervene in certain markets, particularly those in currencies and interest rate-related futures and options, which may cause all such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. When investing in foreign instruments, the Funds and the Hedge Funds are also subject to the risk of the failure of the exchanges on which their positions trade or of their clearinghouses resulting from less governmental regulation and intervention, and there may be a higher risk of financial irregularities or lack of appropriate risk monitoring and controls. Risks associated with investing in securities of foreign issuers are more pronounced with respect to investments in securities of issuers in emerging markets.

Trading in Securities and Other Investments That Are Less Liquid or of Longer-Duration. Certain investment positions in which the Funds have an interest, including Special Investments, are less liquid or

of longer-duration. Interests in the Hedge Funds are not themselves marketable and therefore the Funds are not able to readily dispose of its interests in Hedge Funds. Hedge Funds may have their own liquidity and/or withdrawal restrictions (such as infrequent withdrawal rights or “gate” provisions). In addition, the Portfolio Managers may invest in restricted or non-publicly traded securities, securities of distressed issuers, securities traded on foreign exchanges, and futures contracts. Futures positions may be less liquid or of longer duration positions because certain 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. Such investment positions could prevent a Portfolio Manager from liquidating unfavorable positions promptly and subject the Funds to substantial losses. This could also impair the Funds’ ability to make distributions to a withdrawing/redeeming investor in a timely manner. Similar limits may apply to securities traded on a foreign exchange.

Investments are Leveraged; Borrowing by the Fund. The Funds borrow funds to increase their buying power and potential returns to investors, as well as to facilitate timely distributions in respect of withdrawals/redemptions. Although leverage increases the investment return of the Funds if an investment purchased with borrowed funds earns a greater return than the amount that the Funds are charged for the use of those funds, the use of leverage will decrease the investment return if the Funds fail to earn as much on investments purchased with borrowed funds as it is charged for the use of those funds. The use of leverage will, therefore, magnify the volatility of changes in the value of the investments of the Funds. Investors still face the risk of losing their entire investment.

Borrowings by the Funds are secured by the Funds’ investment portfolio. Pursuant to the conditions of the loan facility through which the Funds currently obtain leverage (the “Loan”), the Funds may be required to liquidate all or a portion of their investments, among other things, to pay off the Loan. Liquidation under those circumstances could have adverse consequences. Funds borrowed for leveraging are subject to interest costs that may or may not be recovered by the return on the Funds’ investment portfolio.

The risk of the use of leverage is compounded to the extent that the Portfolio Managers with which the Funds invest employ leverage in their respective investment programs (i.e., trade securities on margin). Trading securities on margin, unlike trading in futures (which also involves margin), results in interest charges and, depending on the amount of trading activity, such charges could be substantial. The low margin deposits normally required in futures and forward trading permit a high degree of leverage; accordingly, relatively small price movement in a futures contract may result in immediate and substantial losses to the investor. Such a high degree of leverage necessarily entails a high degree of risk.

Counterparty Credit Risk. Many of the markets in which Portfolio Managers effect their transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. To the extent a Portfolio Manager invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, a Portfolio Manager may take credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections. This exposes a Portfolio Manager’s fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing a Portfolio Manager’s fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Portfolio Manager has concentrated its transactions with a single or small group of counterparties. In addition, in the case of a default, a Portfolio Manager's

fund could become subject to adverse market movements while replacement transactions are executed. Portfolio Managers are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the Portfolio Managers generally have no internal credit function which evaluates the creditworthiness of their funds' counterparties. The ability of Portfolio Managers to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the funds in which the Funds invest.

Risk Management Activities. The Funds attempt to measure and monitor risks of the Funds' portfolio and Portfolio Managers. The amount and quality of risk due diligence, measurement and monitoring is dependent on access to the portfolios and risk management systems (if any) of the Portfolio Managers. There is no assurance that the Portfolio Managers will give access to this data. When this information is unavailable, estimates of risk will be made. Efforts to measure and reduce risk may not be successful. Any Fund hedging activities designed to reduce risk may also be unsuccessful.

Deleveraging Risks. If the Funds are forced to "deleverage" the Funds in accordance with the terms of the Loan by decreasing the amount of assets invested in the Hedge Funds, there will be a corresponding reduction in the profit potential of the Funds. In addition, if a significant percentage of the Funds' assets are liquidated from the Hedge Funds in order to pay interest on the Loan and fees and expenses of the Funds, or are held in cash and cash equivalent assets in anticipation of paying interest on or repaying principal of the Loan, it is unlikely that the investment objective of the Funds will be achieved.

Co-Investments with Third Parties. The Funds may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third party involvement resulting in a negative impact on such investment, including the possibility that a third party co-venturer may have financial difficulties, may have economic or business interests or goals that are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to the Funds' investment objective. In circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments.

Agreements with Third Parties. Multiple Funds managed by Chalkstream may enter into agreements with third parties (e.g., fee sharing arrangements) pursuant to which such Funds may have joint and not several liability. Any liabilities under such agreements will be allocated on a *pro rata* basis among such Funds.

Short Selling. The Portfolio Managers with which the Funds invest may engage in short selling. Short selling involves selling securities, which may or may not be owned, and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Funds engage in short sales will depend upon Chalkstream's investment strategy and opportunities. 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 Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds 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 a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Estimates. In most cases Chalkstream has no ability to assess the accuracy of the valuations received from a Portfolio Manager. Furthermore, the net asset values of the Hedge Funds provided to Chalkstream from Portfolio Managers typically are estimates only, subject to revision upon conclusion of each underlying

fund's annual audit. Revisions to the Funds' gain and loss calculations are an ongoing process, and actual net capital appreciation or net capital depreciation figures may not be final until the Funds' annual audits are completed.

Dilution. To the extent that certain Portfolio Managers may limit the amount of additional capital that they will accept from the Funds, or that regulatory limitations restrict such additional investments, continued sales of interests or shares will dilute the participation of existing investors with such Portfolio Managers.

Possible U.S. Withholding Taxes. In order to avoid a U.S. withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, each non-U.S. investment vehicle through which the Fund invests generally was required to register with the Internal Revenue Service (the "Service") by June 30, 2014 and agree to identify certain of its direct and indirect U.S. account holders (including equity holders and debt holders). Prospective investors should consult their own tax advisers regarding the possible implications of these rules on their investment in Interests.

Tax Exempt Entities. Certain prospective investors may be subject to federal and state laws, rules and regulations which may regulate their participation in a Fund, or their engaging directly, or indirectly through an investment in such Fund, in investment strategies of the types which such Fund utilizes from time to time. While the Fund believes its investment program may be appropriate for tax-exempt organizations for which an investment in the Fund would otherwise be suitable, each type of exempt organization may be subject to different laws, rules and regulations, and prospective investors should consult with their own advisers as to the advisability and tax consequences of an investment in the Fund. In particular, exempt organizations should consider the applicability to them of the provisions relating to "unrelated business taxable income." Investments in the Fund by entities subject to ERISA, and other tax-exempt entities require special consideration.

U.S. Partnership Tax Audit Risk. Under the general rule imposed under new legislation, an audit adjustment of the Fund's U.S. tax return filed or required to be filed for any tax year beginning during or after 2018 (a "Reviewed Year") could result in a tax liability (including interest and penalties) imposed on the Fund for the year during which the adjustment is determined (the "Adjustment Year"). The tax liability generally is determined by using the highest tax rates under the United States Internal Revenue Code of 1986, as amended (the "Code") applicable to U.S. taxpayers in effect for the Reviewed Year, in which case any Adjustment Year investors could bear the audit tax liability at significantly higher rates (including interest and penalties) arising from audit adjustments and in amounts that are unrelated to their Reviewed Year economic interests in the Fund items that were adjusted.

To mitigate the potential adverse consequences of the general rule, the Fund may be able to elect to pass through such audit adjustments for any year to its investors who participated in the Fund for the Reviewed Year, in which case each Reviewed Year participating investor (and not the Fund) generally would be responsible for the payment of any tax deficiency, determined after including their share of the adjustments on their tax returns for the Adjustment Year.¹ An investor may also be able to mitigate such adverse consequences by, after the audit adjustments are made, filing an amended U.S. tax return for the Reviewed Year and paying tax, if any, on its share of the items adjusted on audit. However, the extent to which the Fund and/or any investor will be able to mitigate the operation of the general rule under either of these alternatives is highly uncertain and may depend upon future regulatory guidance and amendments to the legislation.

Regulated Investors. Certain prospective investors may be subject to federal and state laws, rules and regulations that may regulate their participation in the Funds or their engaging directly or indirectly through an investment in the Funds in investment strategies of the type Portfolio Managers may use from time to time (e.g., short sales of securities and the use of futures, leverage and limited diversification).

¹ If such an election is made by the Fund, interest on any deficiency will be at a rate that is 2 percentage points higher than the otherwise applicable interest rate on tax underpayments.

Expenses May be a High Percentage of Assets. Operating expenses that are necessary for a Fund's proper operation may be a high percentage of the Fund's net asset value and, even if the Fund's strategy is successful, the Fund may still not be profitable. In some instances, when the Fund begins trading it may have substantially less assets with which to trade than it may have over time. In addition, as a result of withdrawals or other circumstances the Fund's necessary operating expenses may be a high percentage of the Fund's net asset value. For example, it is possible that the Fund may have trading gains while the Fund's net asset value may not increase or may even decrease.

Side Letters. Each Fund may, from time to time and in the GP's sole discretion (without notification or approval of any investor) enter into letter agreements or other similar agreements (collectively, "Side Letters") with one or more investors which provide such investors with additional and/or different rights (including, without limitation, with respect to access to information, management fees, incentive allocations, minimum investment amounts, investment portfolios, and liquidity terms) than other investors. As a result, should the Fund experience a decline in performance over a period of time, an investor that is party to a Side Letter that permits less notice and/or different withdrawal times may be able to withdraw interests/shares prior to other investors. The Funds will not be required to notify any or all of the other investors of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Funds be required to offer such additional and/or different rights and/or terms to any or all of the other investors. Investors will have no recourse against the Fund, Chalkstream and/or any of their affiliates in the event that certain investors receive additional and/or different rights and/or terms as a result of such Side Letters.

Dependency on Technology; Security Breaches and Disruptions. In the ordinary course of business, the Fund, the GP, Chalkstream and their service providers collect and store, on such parties' networks and/or on the networks of their third party vendors, sensitive data including the intellectual property, trading data and personally identifiable information of the Limited Partners. The secure processing, maintenance and transmission of this information is critical to the Fund's operations. Chalkstream 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 resulting in the information stored therein being accessed, publicly disclosed, lost and/or stolen. 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 Chalkstream may be susceptible to compromise, leading to a breach of Chalkstream's network. Chalkstream's systems or facilities may be susceptible to attacks by hackers and/or breaches as a result of employee error or malfeasance, government surveillance, or other security threats and technological disruptions. On-line services provided by Chalkstream to the Limited Partners may also be susceptible to compromise. Breach of Chalkstream's information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Limited Partners to be lost or improperly accessed, used or disclosed.

The service providers of Chalkstream and the Fund are subject to the same electronic information security threats as Chalkstream. 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 the transactions of the Fund and personally identifiable information of the Limited Partners may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of Chalkstream's or the Fund's proprietary information may have legal ramifications (including legal claims or proceedings, liability under laws that protect the privacy of personal information and regulatory penalties under federal and/or state securities laws) and may result in the disclosure or misuse of confidential information concerning the Limited Partners, cause financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational harm to the General Partner, Chalkstream and/or the Fund and increase their respective costs. Any of the foregoing events could have a material adverse effect on the Fund and the Limited Partners' investments therein.

Trade Errors. Chalkstream defines “trade errors” as “unintended” trades (e.g., purchasing or selling the wrong securities, or purchasing or selling the wrong number of securities). As with all financial gains and losses attributable to trading activity, any gains or losses resulting from trade errors will generally be borne by the Fund. Losses to the Fund will only be reimbursed to the extent Chalkstream determines that the trade error resulted from Chalkstream’s fraud, willful misconduct, or gross negligence.

Force Majeure. Portfolio investments may be affected by force majeure events (*i.e.*, events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including the Fund or a portfolio company or a counterparty to the Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event and/or prompt precautionary government-imposed closures of certain travel and business. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or the Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could create operational difficulties for Chalkstream, the Fund or a portfolio company, cause the employees of Chalkstream or a portfolio company to work from home for extended periods and have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Fund may invest and the markets the Fund may trade specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to the Fund, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Fund and its investments. In addition, during any period of uncertainty, disruption and volatility in the economic and financial markets, no assurance can be provided that the net asset value of the Fund or an underlying fund will reflect the actual price at which the Fund’s or an underlying fund’s portfolio could be liquidated, and interests/shares may be issued and withdrawals/redemptions may be processed based on a net asset value that does not reflect the actual fair value of the Fund’s direct and indirect investments and other assets.

Novel Coronavirus, Pandemics and Epidemics. The 2019 global outbreak of the novel coronavirus (COVID-19) is creating unprecedented economic and social uncertainty throughout the world. The ultimate impact of the coronavirus pandemic is difficult to predict, but it is likely that it will have a materially adverse impact on global, national, and local economies and that such negative impact is likely to persist for some time. In particular, disruptions to commercial activity across economies due to the imposition of quarantines, remote working policies, implementation of business continuity plans, lay-offs, “social distancing” practices, and travel restrictions, and/or failures to contain the outbreak despite these measures, could materially and adversely impact the Fund’s investments. Chalkstream’s ability to source new investments or to realize the Fund’s investments, in particular, may be adversely affected if the coronavirus pandemic (or any similar pandemic or epidemic caused by a different virus) persists for an extended period of time and continues to spread domestically and internationally. Similar disruptions may occur in respect of the service providers and counterparties (including providers of financing) of Chalkstream and the Fund and the underlying funds, which could also negatively impact the Fund. The coronavirus pandemic, and its effect on certain asset classes in which the Fund invests or may invest, may persist for a longer period of time than anticipated, thus affecting recoveries by such Fund investments.

Geopolitical Risks and Force Majeure. An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. For example, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections. In addition, geopolitical tensions, including the conflict between Russia and Ukraine, the attack on Israel by Hamas, the affects of which have destabilized the region, and rising tensions between the United States and China, and the impact of long term financial and economic sanctions, could lead to uncertainty, disruption, and volatility in global markets and industries that could negatively impact the Firm. Moreover, certain current events and resulting movements (including protests) have caused social unrest in the United States and in other parts of the world. At times, such movements have been accompanied by violence and looting which has seen certain businesses suffer physical damage and economic loss. In addition, such movements have seen certain businesses become subject to adverse publicity and heightened scrutiny as a result of historical action or inaction. To the extent that Portfolio Managers invest in companies that are impacted by such social unrest, physical damage and economic loss or the threat thereof (e.g., in the retail sector), there could be a material adverse impact on the Funds and their investments.

Geopolitical tensions, such as Russia's incursion into Ukraine, has led to disruption, instability and volatility in global markets and industries that could negatively impact Chalkstream and Portfolio Managers. The U.S. and other governments have imposed meaningful sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls. Chalkstream and Portfolio Managers will be required to comply with such measures and the full impact of such measures (including supply chain disruptions), as well as potential responses to them by Russia, is currently unknown and may become significant.

Chalkstream could also be materially affected by Hamas' attack on Israel and Israel's counterattack into Gaza. The conflict has created tensions throughout the region which could expand creating a global crisis which has already increased U.S. military involvement. Such geopolitical tensions could create disruptions in the global supply chain and the global and U.S. economies which could negatively impact the Firm and the Funds.

Deterioration in Markets or the Economy in General May Cause the Fund to Experience Losses. The last financial crisis in the U.S. and many non-U.S. economies, including the European sovereign debt and banking crises, resulted in an unusually high degree of volatility in the financial markets, both within and outside the United States. There is no assurance that these conditions will not repeat themselves in the next economic downturn. In addition, global economies and financial markets are substantially interconnected, which increases the possibilities that conditions in one country or region might adversely impact conditions in a different country or region. For example, issues involving "Brexit" (the withdrawal of the United Kingdom from the European Union) have had worldwide implications. Credit markets worldwide are also facing challenges due to the upcoming discontinuation of LIBOR and the need for interest rates payable on newly issued and existing instruments to be pegged to another market interest rate. The decline of economies in the U.S. and other jurisdictions may represent the beginning of a broader downturn in global markets. The Fund's investments may be materially adversely affected by such downturn.

Inflation Risk. In 2022 and 2023, in light of increasing inflation, the U.S. Federal Reserve increased interest rates multiple times. Although interest rates have come down slightly in the latter half of 2023, inflation is still a concern and the Fed could raise interest rates again because of the current robust economy, which could create downward pressure on the value of certain investments made by the Firm. Further, the Firm may face difficulty in realizing value from investments due to sustained declines in equity market values as a result of concerns regarding interest rates. Inflation and rapid fluctuations in inflation rates have in the past had, and may in the future have, negative effects on economies and financial markets. In an attempt to stabilize inflation, governments have imposed wage and price controls and will likely continue to intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic

activity. If inflation were to decrease at rates slower than those anticipated in underwriting investments, the effective rate of return on such investments may be reduced and as a result, could have a material and adverse impact on Chalkstream, the Funds and their investments.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, pandemics, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of Chalkstream to execute its respective strategies. This may result in longer holding periods for investments.

Need for Independent Advice. Chalkstream have consulted with counsel, accountants and other experts regarding the formation and operations of the Funds. Each prospective investor should consult its own legal, tax and financial advisors regarding the desirability of an investment in the Funds.

Illiquidity of Investments. It may not always be possible for the Fund to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions, including the operation of daily price fluctuation limits. Realization of value from such investments may be different in the short term, or may have to be made at a substantial discount to recent trading prices and/or a Portfolio Manager's assessment of fair value. If trading on an exchange is suspended or restricted, the Fund may not be able to execute trades or close out positions on terms that a Portfolio Manager responsible for such investment believes are desirable.

Technology Sector. Some of the Funds' portfolios will predominately include investments in companies involved in technology related to consumer-oriented devices. The technology industry is competitive and the technology companies in such portfolios may be exposed to competition from rival companies. In the event that a particular underlying company cannot maintain its competitiveness, that company's market share may decline, which may negatively impact the company's financial results. The technology industry is also characterized by rapid technological changes and rapid evolution of technological standards. Therefore, if one or more of the underlying technology companies are not able to carry out appropriate research and development, the financial condition may be adversely affected by product obsolescence or competing products. Some of the underlying technology companies conduct business worldwide, which can be adversely affected by factors such as barriers to long-term relationships with potential customers and local enterprises; restrictions on investment and imports/exports; tariffs; fair trade regulations; political, social, and economic risks; outbreaks of illness or disease; exchange rate fluctuations; rising wage levels; and transportation delays.

Financial Institutions Risk. Chalkstream relies upon third-party banks or other custodians to hold and safeguard certain of our Advisory Client's assets. While Chalkstream carefully selects and monitors its custodians, there is no guarantee that such custodians will not experience financial difficulties or otherwise fail, which could prevent the Firm from accessing Advisory Client funds, securities, or credit facilities. These events could negatively impact Firm performance or result in substantial delays in the return of capital to investors.

Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. Despite subsequent actions taken by the U.S. Department of the Treasury, the U.S. Federal Reserve and the FDIC to ensure that all depositors of

SVB had access to all of their cash deposits following the closure of SVB, uncertainty and liquidity concerns in the broader financial services industry remain.

Chalkstream regularly maintains cash balances at banks or other custodians in excess of the FDIC insurance limit. Each of these parties' access to cash in amounts adequate to pay expenses, purchase new investments and otherwise operate its business could be significantly impaired by the financial institutions with which it maintains cash balances to the extent such financial institutions face liquidity constraints or failures. In addition, investor concerns regarding the U.S. or international financial systems may increase the risk of default of particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have a material adverse effect on the performance of the Firm's investments, returns and the ability of the Firm to make and/or dispose of investments. No assurance can be given as to the effect of these events on the value of, or markets for, investments, or the Firm's ability to recover therefrom. In addition, while it is not always possible to predict the extent of the impact that the failure of any financial institution or the high market volatility and instability of the banking sector could have on economic activity and Chalkstream in particular, the failure of other banks and financial institutions and the measures taken by governments, businesses and other organizations in response to these events could adversely impact the Firm and its investments.

ITEM 9 – DISCIPLINARY INFORMATION

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

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Chalkstream is not registered, and does not have an application pending to register, as a broker-dealer.

As previously noted, Messrs. Tsai and Muller are the sole owners of Chalkstream but, consistent with the aforementioned reduction in operational footprint, are no longer involved in Chalkstream's provision of advisory services to its Advisory Clients. Mr. Muller is also the founder, Chief Executive Officer and a principal owner of PDT Partners, LLC (along with its affiliates, "PDT"), which is registered as an investment adviser with the SEC and as a commodity pool operator with the Commodity Futures Trading Commission. Mr. Tsai is the Managing Director of PDT. PDT and Chalkstream operate, and have historically operated, independently. Given that Messrs. Tsai and Muller are not involved in Chalkstream's advisory business, Chalkstream does not anticipate any material conflicts of interest related to their affiliation with PDT.

Chalkstream is a related adviser of Eversept Partners, L.P. ("Eversept"). Eversept and Chalkstream share office space and certain supervised persons subject to applicable law. The Flagship Funds and the Insurance Fund are invested in certain funds managed by Eversept and may make additional such investments in the future subject to the discretion of the Chief Investment Officer ("CIO"). Shared supervised persons have a conflict of interest in allocating their time and activity between Eversept and Chalkstream and the time allocated to managing and monitoring the Chalkstream investment portfolios will be limited. Chalkstream will continue to use its best judgement to minimize any other potential material conflicts that may arise as a result of its relationship with Eversept.

Rishi Shah, Managing Principal and CIO of Chalkstream, serves as a member of the board of directors or advisory committees of one or more portfolio companies in which the Funds are invested. Rishi Shah is also employed as the President of Eversept and is an officer and a minority owner of a family business which primarily owns and operates transportation assets.

As disclosed in Item 5, Chalkstream is entitled to receive a portion of any revenue or profit share payable by any Portfolio Manager as it relates to any Revenue Participation Agreement. To the extent an investor makes an investment in a Hedge Fund directly (not through Chalkstream or the Funds), Chalkstream will not directly receive compensation for such investments in a Hedge Fund but will generally receive indirect compensation through the Revenue Participation Agreement with such Portfolio Manager.

As a result of the investment management and related activities of Chalkstream, Chalkstream or its employees or principals, may come into possession of confidential or material non-public information concerning certain companies in which the Fund has invested. Under applicable securities laws, possession of such information may restrict Chalkstream's ability to initiate transactions, which it may otherwise have which, in turn, could have a material adverse effect on the Fund's performance.

Chalkstream, Chalkstream GP, and their affiliates may from time to time incur expenses on behalf of the Funds and one or more existing or subsequently created affiliated funds. Although Chalkstream and Chalkstream GP will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will in all cases be allocated appropriately.

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

Chalkstream has adopted a Code of Ethics, which is a part of Chalkstream's compliance manual and has been designed to comply with the requirements of Advisers Act Rule 204A-1. Among other things, the Code of Ethics (i) requires that all employees comply with federal securities laws, (ii) requires that all employees submit to Chalkstream reports containing their personal securities holdings and transactions in reportable securities, and that Chalkstream review such reports, (iii) requires all employees to obtain pre-approval for personal investments in limited offerings and initial public offerings; and (iv) contains policies and procedures designed to prevent the misuse of material, non-public information. All personnel of Chalkstream are required to periodically certify their compliance with the Code of Ethics. Clients may request a copy of Chalkstream's Code of Ethics by contacting Chalkstream at the address or telephone number listed on the first page of this Brochure.

Chalkstream serves as the investment manager, the management company or the investment sub-adviser (as applicable) to each Fund. Chalkstream, its employees, affiliates or their related persons may also invest directly or indirectly in any one, some or all of the Funds, in which event Chalkstream may waive the management fees and/or performance fees/allocations payable by any such person(s) to Chalkstream. The fact that Chalkstream, its employees, affiliates or their related persons have a financial ownership interest in the Funds creates a potential conflict in that it could cause Chalkstream to make different investment decisions than if they did not have such a financial ownership interest. Further, Chalkstream or its affiliates charge the Funds fees based on a percentage of assets under management via the management fee and based on performance via the incentive allocation or fee. The management fee is payable without regard to the overall success or income earned by the Funds and therefore may create an incentive on the part of Chalkstream to raise or otherwise increase assets under management to a higher level than would be the case if Chalkstream were receiving a lower or no management fee. The receipt of an incentive allocation or fee by Chalkstream or its affiliates may create an incentive for Chalkstream to make investments for the Funds that are riskier or more speculative than it otherwise would.

Furthermore, Chalkstream 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, even though such activities may be in competition with the existing Advisory Clients and/or may involve substantial time and resources of Chalkstream. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of Chalkstream and its affiliates are not devoted exclusively to the business of the existing Advisory Clients, but are allocated between the business of the existing Advisory Clients and the management of the monies of future Advisory Clients of Chalkstream. Chalkstream uses its best judgment to be fair and equitable to all Advisory Clients to minimize this conflict of interest.

ITEM 12 – BROKERAGE PRACTICES

Investments that Chalkstream makes for Advisory Clients are principally investments in third-party, privately offered Hedge Funds. As such, and consistent with our reduced operational footprint, we do not perform direct trading or participate in soft dollar benefits or maintain soft dollar accounts. However, if we were to place trades directly, we will seek to obtain best execution for the impacted Advisory Clients and will generally take into account factors including, but not limited to, the following: price quotes; difficulty of execution; the extent to which the counterparty makes a market in the security involved or has access to such markets; the counterparty's skill in positioning the securities involved; the counterparty's promptness of execution; the counterparty's reputation for diligence, fairness, and integrity; and any other factors deemed appropriate by Chalkstream.

In order to ensure that it treats all Advisory Clients fairly and equitably, it is Chalkstream's policy that when it has been determined that it is appropriate, based upon each Advisory Client's liquidity/leverage or investment restrictions or the liquidity of a particular investment opportunity, tax, structural or other reasons, to purchase or sell the same security for more than one of the Advisory Clients that it may, but shall be under no obligation to: (1) aggregate, to the extent permitted by applicable law and regulations, the securities to be purchased or sold (in the form of subscriptions or withdrawals/redemptions) in order to seek more favorable access to Hedge Funds or more favorable investment prices; and (2) to generally allocate the purchase or sale of such security among the Advisory Clients based upon the relative asset size of the Advisory Clients participating in the purchase or sale in question on that date. In the event that an investment opportunity is within the investment parameters for more than one Advisory Client but will not be allocated between such Advisory Clients on a *pro rata* basis, Chalkstream will review the reasons why such opportunity will not be allocated *pro rata* (i.e. why an account was included/excluded from the allocation) in the conflicts committee meeting to: (i) ensure that no one Advisory Client is benefiting at the expense of another; (ii) avoid the appearance of "cherry picking" favorable positions for Advisory clients which are held by principals/pay incentive fees; and (iii) ensure that allocation decisions are being made in the best interests of all affected Advisory Clients and made on a fair and equitable basis consistent with Chalkstream's fiduciary obligations.

ITEM 13 – REVIEW OF ACCOUNTS

Chalkstream engages in only limited monitoring of the remaining Hedge Fund and Special Investment portfolios of the Investment Funds. Such monitoring will be performed by the following individuals: Rishi Shah, Managing Principal and CIO, Investment Research; Matt Dilmaghani, Principal, Risk and Quantitative Research; and Ron Rosenstrauss, Principal, Chief Operating Officer, Chief Financial Officer and Chief Compliance Officer.

Specifically, Mr. Shah is primarily responsible for managing the portfolios of the Funds and Mr. Dilmaghani is in charge of Risk and Analytics for the Funds and assists Mr. Shah in research. Mr. Rosenstrauss, in coordination with the independent fund administrator, reconciles all trades. Mr. Rosenstrauss also reviews hedge fund and special investment custody reports issued by the custodian on a regular basis and periodically reviews Chalkstream's investments with respect to consistency with applicable law and regulations.

The independent fund administrator provides quarterly statements for the Flagship Funds, periodic unaudited performance information, no less frequently than semi-annually, and annual audited financial statements to investors in the Funds. All such reports are written. The Funds may agree to provide additional information to certain investors upon request.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Chalkstream does not directly or indirectly compensate any person for client referrals nor does it receive an economic benefit from any other person for providing investment advisory services to its Advisory Clients.

ITEM 15 – CUSTODY

Chalkstream or its affiliates, by virtue of their status as the investment manager or general partner (as applicable) of the Funds, are deemed to have custody of client funds and securities because they have the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to clients are sent by qualified custodians to Chalkstream.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, all investors in the Investment Funds will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 180 days, of the end of each Investment Fund's respective fiscal year. Additionally, the independent fund administrator for the Investment Funds sends quarterly account statements to investors. Investors should carefully review the audited financial statements of the Investment Funds and quarterly account statements upon receipt.

The Investment Funds have engaged an independent fund administrator whose responsibilities include sending account statements to investors. Investment Fund investors do not receive custodial or prime brokerage statements from the independent fund administrator; however, the independent fund administrator reconciles the Investment Funds accounting records with the records of the prime brokers or custodians. As described under Item 13, investors receive quarterly unaudited statements from the independent fund administrator.

ITEM 16 – INVESTMENT DISCRETION

Chalkstream has discretionary authority to manage the investments of the Investment Funds. Chalkstream is authorized to make purchase and sale decisions for the Investment Funds. As explained in Item 4 above, individual investors in the Investment Funds do not have the ability to impose limitations on Chalkstream's discretionary authority. Chalkstream does not have discretionary authority over the portfolio of the Insurance Fund. Prospective investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors must also execute a subscription agreement, which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with its terms, and a limited partnership agreement.

ITEM 17 – VOTING CLIENT SECURITIES

Chalkstream understands and appreciates the importance of proxy voting and ensuring that its proxy voting procedures are clearly described to investors. To the extent that Chalkstream has discretion to vote the proxies of the Funds it manages, Chalkstream will vote any such proxies in the best interests of the Funds. Prior to voting any proxies and, if applicable, Chalkstream's Chief Compliance Officer will identify any potential material conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then decide (which may be in consultation with outside legal counsel or third-party compliance consultants) as to whether the conflict is material or not. If no material conflict is identified, Chalkstream will make a decision on how to vote the proxy in question.

Please let us know if you have any questions about, or would like to be provided with a copy of, our proxy voting procedures. Also, please let us know if you would like detailed information about how any proxies were actually voted by calling the Chief Compliance Officer, Ron Rosenstrauss, at (212) 707-6100.

ITEM 18 – FINANCIAL INFORMATION

Chalkstream is not required to include a balance sheet for its most recent fiscal year, is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, and has never been the subject of a bankruptcy petition.