

PART 2A OF FORM ADV: FIRM BROCHURE



CADIAN CAPITAL MANAGEMENT, LP

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Cadian Capital Management, LP (the “firm,” “we,” “us,” or “our”) is an investment adviser that is registered with the United States Securities and Exchange Commission (the “SEC”). Registration does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Cadian Capital Management, LP. If you have any questions about the contents of this brochure, please contact Liane Ming at (212) 792-8816 or lming@cadiancap.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Cadian Capital Management, LP also is available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

No material changes have been made to this brochure since its last annual update on March 30, 2023. However, certain non-material changes have been made. Consequently, we encourage you to read the brochure in its entirety.

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4. ADVISORY BUSINESS

Cadian Capital Management, LP, a Delaware limited partnership, provides discretionary advisory services to its advisory clients, which currently are limited to pooled investment vehicles organized as private investment funds.

Eric Bannasch founded Cadian Capital Management, LLC, a Delaware limited company, in May 2007. On January 13, 2014, our firm converted to a Delaware limited partnership, Cadian Capital Management, LP, but our business remained the same. Our firm is principally owned by Eric Bannasch.

Cadian Capital Management, LP serves as the investment manager of private funds, specifically the Cadian flagship funds (the “Flagship Funds”) and the Cadian opportunities funds (the “Opportunities Funds” and, collectively, the “Funds”). The Flagship Funds and the Opportunities Funds both operate via a “master-feeder” structure, such that the Flagship Fund feeder funds (the “Flagship Feeder Funds”) and the Opportunities Fund feeder funds (the “Opportunities Feeder Funds” and, together with the Flagship Feeder Funds, “Feeder Funds”) contribute all of their investable assets, respectively, to the Flagship Fund master fund (“Flagship Master Fund”) and the Opportunities Fund master fund (“Opportunities Master Fund” and, each a “Master Fund”) and investments are made at the Master Fund level.

We provide investment advisory services to the Master Funds and certain administrative services to the Feeder Funds. As described in further detail in Section 8 below, the Funds seek long term capital appreciation from investments in equity securities of companies in the global telecommunications, media and technology sectors as well as in consumer, healthcare, industrials, financial services and technology and other related sectors. To implement the above strategy, we focus on fundamental stock research and selection through a disciplined upside/downside analysis.

The firm may, in its sole discretion and only with respect to the Flagship Funds, at the time of acquisition of an investment that is not publicly traded, is illiquid or lacks a readily ascertainable market value, designate such investment as a “Designated Investment.” Flagship Feeder Fund investors may elect to invest in Designated Investments. Only electing Flagship Feeder Fund investors will participate in Designated Investments. In addition, only those electing investors that are Flagship Feeder Fund investors at the time a Designated Investment is made (and that have not become former investors, otherwise duly requested to completely withdraw from the Flagship Feeder Fund or revoked their elections to participate in Designated Investments) will participate in such Designated Investment, subject to the limitations on participation set forth in the applicable Flagship Feeder Fund’s offering materials.

We tailor our services to the Funds in accordance with their governing documents (for example, a private offering memorandum, limited partnership agreement, memorandum and articles of association and/or subscription documents). The Funds generally cannot impose any restrictions on the firm’s discretion to invest in certain securities or types of securities.

The firm does not participate in wrap fee programs.

As of December 31, 2023, the firm managed approximately \$2,332,355,282 of client assets on a discretionary basis. We do not currently manage any client assets on a non-discretionary basis.

5. FEES AND COMPENSATION

The firm has intentionally omitted its full fee schedule, as it is registered as an investment adviser with the SEC and this brochure is being delivered only to “qualified purchasers” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

The following is a general description of fees and expenses paid by the Funds. Each of the Feeder Fund’s offering documents contains more detailed descriptions of the firm’s fee schedules and Fund expenses. **As such, it is critical that investors refer to the relevant Fund’s offering documents for a complete understanding of how we are compensated for our services and the types of expenses paid by the Funds.**

The management fee and performance fee/incentive allocation compensation described below is deducted automatically from the Funds’ accounts pursuant to their governing documents – a third-party administrator generally polices and controls this process.

Management Fee

Flagship Funds

With respect to the Flagship Funds, the firm generally deducts from the net assets of each Flagship Feeder Fund, quarterly in advance, a management fee that is a percentage of the net assets of each Flagship Feeder Fund. Designated Investments will be valued quarterly for purposes of determining the management fee rate attributable to an investor’s designated capital account. To the extent that a withdrawal or redemption is made from a Flagship Feeder Fund as of any day that is not the last day of a fiscal quarter, we would refund the relevant Flagship Feeder Fund an amount of management fees prorated from the date of the withdrawal or redemption, as applicable, to the end of the period covered by the advance management fee (which will in turn be refunded to the relevant withdrawing or redeeming investor).

If an investor who has opted-in to Designated Investments fully withdraws or redeems from the Flagship Feeder Fund (a “former investor”), such former investor will have management fees and expenses attributable to its Designated Investment account paid out following a sale or liquidation of a Designated Investment, after deduction for any performance fee payable. Any such management fee will generally be payable out of Designated Investment reserves.

Opportunities Funds

With respect to the Opportunities Funds, the firm generally deducts from the net assets of each Opportunities Feeder Fund, monthly, a management fee that is a percentage of the net assets of each Opportunities Feeder Fund. The management fee rate generally varies by the series of interests held by a limited partner.

Performance Compensation

Flagship Funds

The firm also receives a performance fee (“Performance Fee”) that is borne by the investors in the Flagship Feeder Funds in connection with the performance of its duties. The Performance Fee is generally charged as of the last day of each fiscal year and upon an investor’s withdrawal or redemption from a Flagship Feeder Fund (in each case, through the investor’s indirect interest in the Flagship Fund Master Fund). The Performance Fee is subject to a loss carryforward.

With respect to Designated Investments, a former investor will remain subject to the Performance Fee upon sale or liquidation of a Designated Investment. Net profits or net losses attributable to a Designated Investment will not be taken into account for purposes of determining the Performance Fee or adjustments to the loss carryforward until such Designated Investment is sold or liquidated, except in certain situations including a deemed liquidation, a discretionary deemed liquidation or certain tender offer situations, in which case certain processes established in the offering materials shall apply.

Opportunities Funds

The firm also receives an incentive allocation (“Incentive Allocation” and, together with the Performance Fee, “Performance Compensation”) that is borne by the investors in the Opportunities Feeder Funds in connection with the performance of its duties. The Incentive Allocation is generally charged as of the last day of each fiscal year and upon an investor’s withdrawal or redemption from an Opportunities Feeder Fund. The Incentive Allocation is subject to a loss carryforward.

We have the discretion to waive, reduce, rebate or calculate differently the management fee and/or the Performance Compensation with respect to any investor in the Feeder Funds.

Expenses

The Opportunities Funds are responsible for their organizational expenses and such expenses will be paid by the Opportunities Funds, including all expenses incurred in connection with the Opportunities Funds’ organization and initial offerings, including ordinary legal and accounting fees, and out-of-pocket expenses and compliance with any applicable federal and state laws, except as otherwise determined by the Opportunities Funds’ general partner (“Organizational Expenses”). Organizational Expenses, for net asset value purposes, may be amortized over a period of 60 months from the date the Opportunities Funds commenced operations. The amortization of the Organizational Expenses may be accelerated in the general partner’s sole discretion or financial statements may be prepared without regard to such amortization and then reconciled to avoid qualification of the financial statements by the relevant auditor.

The firm and/or the General Partner is responsible for and pays or causes to be paid overhead expenses of the firm and the General Partner, including the following: office rent; furniture and fixtures; stationery; secretarial/internal administrative services; salaries; entertainment expenses; employee insurance and payroll taxes. All other expenses, costs and fees relating to the management and operation of the Feeder Funds and the Master Funds are borne by the Master

Funds (a proportionate share of which are allocated to and borne by the respective Feeder Funds), including, without limitation, the following: costs and expenses directly related to investments or prospective investments (whether or not consummated) such as external research (including ESG-related research) and transaction costs (including legal and other advisory fees and expenses); all deal and access fees, whether paid to third party managers or brokers, for transactions in which the Funds participate; expenses in connection with transactions directed to broker dealers in part in recognition of investment research and information furnished or expenses for services rendered by broker dealers in the execution of such orders and the use of such research and other services provided by such broker dealers; legal and compliance expenses, costs and fees, which include, without limitation, consulting, legal, regulatory, registration and filing expenses, costs and fees (such as the firm's registration fees, Form ADV, Form PF fees, Form N-PX, and regulatory inquiries regarding the firm and legal advice related to compliance); any costs and expenses incurred in connection with compliance with applicable U.S. federal, state or local or non-U.S. laws (including MiFID II and AML Officer fees) or rules of any self-regulatory organization; administrator, audit, preparation of tax returns and accounting expenses (including third party accounting services); the fees and expenses of counsel with respect to the Funds (including lenders' counsel for any credit facility); the costs of any outside appraisers, accountants, attorneys, compliance consultants, due diligence experts or other experts or advisers engaged by the General Partner or the firm; Directors' and Advisory Board members' fees; organizational expenses; investment expenses such as commissions, clearing fees; systems and technology expenses (including software, software-as-a-service, licenses, support and consulting), research and other information utilized for portfolio management purposes (including risk management) that facilitate portfolio management decisions, trading, compliance, treasury, operations, valuations, and accounting, including the costs of statistics and pricing services, independent securities valuation services, service contracts for quotation equipment and related hardware and software; costs and expenses in connection with operational risk management (including third party risk assessment, due diligence and ongoing monitoring); interest and commitment fees on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; insurance costs; amounts for taxes that are attributable to all shareholders of the Funds and are paid by, withheld by, or withheld from payments to, the Funds; the costs and expenses of holding any meetings of shareholders; the costs of any insurance obtained on behalf of the Funds, the General Partner, the Investment Manager, the affiliates of any of them and any other person entitled to indemnification under the offering memoranda; all costs and expenses associated with reporting and providing information to existing and prospective shareholders; expenses incurred in connection with the admission of shareholders or the acceptance of additional subscriptions (including expenses incurred in connection with side letters for prospective and existing shareholders); fees and expenses of the Opportunities Master Fund's "partnership representative;" ERISA bonding costs, if applicable; amounts for taxes incurred by the Funds (as determined by the Investment Manager); to the extent permitted by applicable law, and subject to the indemnification/exculpation provisions in the offering memoranda or the agreement with the Investment Manager; and any other expenses related to the purchase, sale or transmittal of assets and the management and operation of the Funds including any extraordinary expenses (such litigation and indemnification).

The Funds will also bear their proportionate shares of the management fees. None of the foregoing fees are subject to an expense cap. Expenses incurred by the Funds are taken into account in determining the net profit or net loss of the Funds in each fiscal period. The firm may specially

allocate a portion of expenses to all or a sub-set of all investors, in accordance with its expense allocation policies, if determined fair and reasonable in its sole discretion.

Only with respect to the Flagship Funds, any expense relating specifically to a Designated Investment will be charged solely against those Flagship Fund investors electing to participate in such Designated Investment, in proportion to their respective participation in such Designated Investment. Research expenses will generally be borne by a Feeder Fund's main portfolio, except to the extent such research expenses are solely related to one or more Designated Investments or potential Designated Investments, in which case such expenses will be allocated solely among the relevant electing Flagship Fund investors at the time such expenses are accrued (generally on a pro rata basis or in such manner as the firm deems appropriate). In addition, fees and expenses incurred in connection with a potential Designated Investment that is ultimately not consummated (i.e., "broken deal" expenses) will be allocated solely among the relevant electing Flagship Fund investors at the time such expenses are accrued (generally on a pro rata basis or in such manner as the firm deems appropriate). Any expenses for a broken deal or unconsummated transaction will be included in net profits or net losses for purposes of the performance fee for that period.

When the Funds utilize soft dollars, the Funds are deemed to be paying for research and other services with "soft" dollars. Refer to Section 12 for further information on the firm's brokerage practices.

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

As noted in Section 5 above and as further described in the applicable Feeder Fund's offering documents, Cadian Capital Management, LP or an affiliate may receive Performance Compensation from the Funds based on a percentage of the net profits of the applicable Fund during the relevant period, subject to a loss carryforward. While the firm may receive Performance Compensation from the Funds, it does not currently charge, and may in the future not charge, a Performance Fee or an Incentive Allocation with respect to investments in the Feeder Funds by certain investors including some of the Funds' long-tenured investors, the firm's partners, employees and certain friends and family thereof.

The possibility that the firm may receive Performance Compensation from the Funds can create an incentive for the firm to make investments that are riskier or more speculative on behalf of the Funds than it otherwise would in the absence of such performance-based compensation.

In addition, performance-based compensation is calculated on the basis of unrealized, as well as realized, gains and losses of a Feeder Fund. As a result, performance-based compensation could be made to the firm in respect of unrealized gains of a Feeder Fund that may never be realized.

7. TYPES OF CLIENTS

We currently provide investment advisory services only to pooled investment vehicles operating as private investment funds that rely on certain exclusions from the definition of “investment company” in the Investment Company Act of 1940, as amended. Accordingly, none of the Funds are registered as investment companies with the SEC.

The minimum initial investment for each of the Feeder Funds is \$5,000,000; provided that our firm and the General Partner, our affiliate, have discretion to waive this minimum. Generally, each U.S. investor in the Feeder Funds must be both (A) an “accredited investor” within the meaning of Regulation D under the Securities Act of 1933, as amended, and (B) a “qualified purchaser” or a “knowledgeable employee” (each as defined in the Investment Company Act of 1940, as amended, and the regulations promulgated thereunder). Additional details concerning applicable investor eligibility and suitability requirements for each Feeder Fund are set forth in the offering memoranda and subscription agreements of the Feeder Funds.

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

Below is a general summary of the firm's investment strategy, methods of analysis and material risks. More information of each of the foregoing can be found in the relevant Fund's offering documents.

Methods of Analysis and Investment Strategies

The Funds' investment objective is to seek long term capital appreciation from investments in equity securities of companies in the global telecommunications, media and technology sectors, as well as in consumer, healthcare, industrials, financial services and technology and/or other related sectors.

To implement the Funds' strategy, we focus on fundamental stock research and selection through a disciplined upside/downside analysis. We take a value-oriented approach to the sectors in which the Funds invest, drawing upon the deep sector experience of our personnel across geographies and asset classes. We focus on seeking to minimize market and other systemic risks to the Funds' portfolios. We seek conservative net beta exposure through alpha generative long and short positions.

The primary focus of the Funds is to invest in common stocks, and the Funds may hold non-diversified and relatively concentrated portfolios. Opportunities to enhance capital appreciation are pursued through the use of both long and short positions, margin borrowing, derivatives and other instruments or securities. Depending upon market conditions and available investment opportunities, the Funds' portfolios may be concentrated in some or all of the sectors listed above or, alternatively, the Funds may focus on investment opportunities in other unrelated sectors. We also make use of various hedging techniques that might include, but are not limited to, currency hedging, short sales, and the writing of stock options and options on stock market indices (and/or investing directly in these indices). The Opportunities Funds focus on high conviction investments made by the Flagship Funds.

The firm seeks to enhance Fund returns through the use of margin borrowing and by establishing leveraged long positions as well as short positions both as a hedge against specific long positions and in an effort to take advantage of opportunities created by perceived market disequilibrium. While the use of "short sales" can substantially improve the return on invested capital, their use can also increase any adverse impact to which the investment portfolios of the Funds may be subject.

The firm has the authority to write put and call options and purchase and sell put and call options on stocks and other securities written by others, including options on stock market and other financial indices and to enter into swaps and other synthetic instruments. The firm, on behalf of the Funds, also buys and sells exchange-traded and over-the-counter derivative instruments, including, but not limited to, futures, swaps, options, forward and other instruments on equities, commodities, bonds, interest rates, credits, other fixed income, currencies, indices and other baskets of securities.

The firm has broad and flexible investment authority on behalf of the Funds. The Funds may have other strategies or engage in other activities than those described herein. It is critical

that investors refer to the relevant Feeder Fund's private offering memorandum for a complete understanding of the Funds' investment objective and strategy. The information contained in this Section 8 is a summary only and is qualified in its entirety by the relevant Feeder Fund's offering documents.

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

General Risks

Availability of Suitable Investment Opportunities

The Funds compete with other potential investors to acquire interests in their targeted investments. Certain of the Funds' competitors may have greater financial and other resources and may have better access to suitable investment opportunities. There can be no assurance that the Funds will be able to locate and complete suitable investments that satisfy the Funds' objectives. Whether or not suitable investment opportunities are available to the Funds, the Funds will bear the management fee and other expenses described in Section 5.

Non-Diversification; Concentration in Certain Sectors

Since the Funds' portfolios will generally be concentrated in the global telecommunications, Internet, consumer, healthcare, media and technology sectors and/or the other sectors noted above, and may even be concentrated within certain of those sectors, the investment portfolios of the Funds are subject to more rapid changes in value than would be the case if the Funds were to maintain greater diversification among securities or industry sectors.

Certain of the companies in which the Funds invest may allocate greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs notwithstanding the lack of current realization of such research and development efforts. In addition, companies in which the Funds invest could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may have inexperienced management, face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many technology companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements, to establish and protect their proprietary rights, which are frequently essential to the growth and profitability of a technology company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Funds invest. Conversely, other companies may make infringement claims against a company in which

the Funds invest, which could have a material adverse effect on such company and result in losses to the Funds.

The markets in which many global telecommunications, media and technology companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing for products and services. There can be no assurance that companies in which the Funds invest will successfully penetrate their markets or establish or maintain competitive advantages.

Furthermore, the value of the Funds' investments is susceptible to factors affecting the technology and science areas. As such, the Funds are not an appropriate investment for individuals who are not long-term investors and who, as their primary investment objective, require safety of principal or stable income from their investments. The technology field may be subject to greater governmental regulation, intervention and scrutiny than many other areas, and changes in governmental policies and the need for regulatory approvals may have a material adverse effect on these areas. Additionally, companies in these areas can be subject to risks of developing technologies, competitive pressures (from both the public and private sectors) and other factors and are dependent upon consumer and business acceptance as new technologies evolve.

Additionally, because the Funds may invest in healthcare-related opportunities (including investments in the life sciences and related industries), the Funds may perform poorly during a downturn in the healthcare, life sciences and related industries. Companies in the healthcare, life sciences and related industries can be adversely affected by, among other things, legislative or regulatory changes, government enforcement activity (including lawsuits initiated by whistleblowers), competitive challenges, government approval of products and services, coverage of and/or reimbursement for products and services by third-party payors (including, for example, government healthcare programs), consumer demand for products and services and product obsolescence. The securities of companies in the healthcare and life sciences sectors, especially those of smaller, research-oriented companies, tend to be more volatile than the overall market with significant price fluctuations that are often unrelated to the operating performance of particular companies. The success of investments in the healthcare and life sciences sectors is often based upon expectations about future products, research progress and/or new product filings, clearances, approvals and/or licenses from regulatory authorities and adequate coverage and reimbursement by third-party payors (including, for example, government healthcare programs). In addition, a number of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no revenue or profit-making history, operate at a loss, have limited access to capital and/or be in the developmental stages of their business. Certain of the companies in which the Funds may be at least partially, and in some cases, predominantly, dependent for their success upon governmental and private third-party coverage and reimbursement policies that are under frequent review and are subject to change at any time. Any such change could adversely affect the viability of one or more companies in which the Funds invest. Further, many healthcare- and life sciences-related companies offer products and services that are subject to governmental regulation and may be adversely affected by changes in governmental policies or laws or government enforcement activity (including lawsuits initiated by whistleblowers). Additionally, there is extensive

government regulation of companies in the healthcare industry, and compliance is costly and time-consuming.

Concentration of Opportunities Master Fund Investments

Although the firm will have a risk management framework relating to certain portfolio concentrations, the firm will not be formally restricted as to the percentage of the Opportunities Master Fund's assets that may be exposed to any particular country, asset class, issuer, instrument, market or strategy. The Opportunities Master Fund will not be subject to any formal requirements for diversifying its portfolio among geographies, asset classes, issuers, markets or other factors.

The Opportunities Master Fund's investment portfolio is expected to be highly concentrated in the securities of relatively few issuers, which represent the firm's highest conviction ideas. The Opportunities Master Fund's investment portfolio may become more concentrated than the firm's risk management framework would otherwise dictate due to market movements, and the firm may amend its internal risk management framework in its sole discretion and without providing any notice to the Limited Partners.

The concentrated nature of the Opportunities Master Fund's portfolio may cause its performance to be more volatile than a more diversified portfolio, and a significant loss in any single position could have a material adverse effect on the Opportunities Master Fund's, and thus the Opportunities Feeder Funds' overall performance, even if the remainder of the Opportunities Master Fund's positions are successful.

Accordingly, the Opportunities Feeder Funds do not enjoy the reduced risks of a broadly diversified portfolio, which could cause its investments through the Opportunities Master Fund to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or that has a broader industry focus.

Accordingly, the Funds do not enjoy the reduced risks of a broadly diversified portfolio, which could cause their investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or that has a broader industry focus.

Equity Investments

The Funds' equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Prices for equity securities are affected by numerous, complex, interrelated and difficult-to-quantify factors, including general market conditions and issuer-specific events. The following is a non-exhaustive list of price influences that may affect equity markets broadly or one or more issuers, industries, sectors, geographies or other subset of the equities markets: interest rates; inflation; general economic conditions; geopolitical forces; currency conditions and foreign exchange rates; market sentiment; analyst research and/or media reports; trading patterns and/or market trends; the availability of credit; credit spreads; an issuer's financial condition (including its creditworthiness); corporate announcements and events (for example, earnings, mergers, bankruptcies, insolvencies, proxy contests and similar events); other conditions affecting an

issuer's business, such as competition, product offerings (for example, obsolescence, safety, patents and other factors affecting products), lawsuits and/or fraud; price-earnings ratios or other metrics; weather or climate forces; regulatory conditions or potential regulatory changes; and the public's and market participants' perception of the foregoing and other factors. There can be no assurances that the firm will be successful in correctly identifying the factors affecting the price of the Funds' existing or prospective investments, that the firm will correctly predict the impact of such factors on the prices of such investments or the timing thereof or that the Funds will be able to buy and sell such investments at advantageous times and prices.

There are no absolute restrictions in regard to the size or operating experience of the companies in which the Funds may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth, and companies with new products or services could sustain significant losses if projected markets do not materialize). Equity investments are subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, preferred stockholders. Dividends customarily paid to equity holders can be suspended or canceled at any time. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal.

Leverage

The Funds utilize substantial leverage (except in connection with Designated Investments of the Flagship Funds), which may be substantial, including through margin borrowing and the trading of derivatives with embedded leverage, in pursuit of their investment objective, which would result in the Funds controlling substantially more assets than they have equity. Leverage increases returns to the investors if the Funds earn a greater return on leveraged investments than the Funds' cost of such leverage. However, the use of leverage exposes the Funds to a high degree of additional risk including (i) greater losses from investments than would otherwise have been the case had the Funds not used leverage to make the investments, (ii) margin calls or interim margin requirements may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Funds' cost of leverage related to such investment. In the event of a sudden, precipitous drop in value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to repay their borrowings, further magnifying the losses incurred by the Funds.

The Funds are not subject to any limit on the extent to which borrowing or leverage may be employed. Moreover, there can be no assurance that the firm will be able to obtain leverage for the Funds on acceptable terms or at all, which could adversely affect the ability of the firm to implement the Funds' investment strategy.

Lack of Liquidity of Fund Assets

The Funds' assets can, at any given time, include securities and other financial instruments or obligations which are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any thinly-traded or illiquid investments may be possible only at substantial discounts. In the firm's discretion, distributions to

a Feeder Fund investor by reason of withdrawal, redemption or retirement may be made partly or completely in securities, including thinly-traded and illiquid securities.

On behalf of the Flagship Funds, the firm expects to make a limited number of illiquid investments, including in the securities of private companies, many of which are expected to be designated as Designated Investments. Each Flagship Fund electing investor participating in any such Designated Investment will remain exposed to such Designated Investment for an indefinite period of time, which may extend after such shareholder otherwise completely redeems from the Flagship Fund.

Short Sales

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Funds' portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is the risk that the securities borrowed by the Funds in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Funds could be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

If it is determined by the broader market that the Funds (and others) are short a heavily shorted security, the Funds that have shorted that security may be susceptible to the risk that groups of investors may coordinate, on social media or otherwise, to drive up the price of the short position for the purpose of causing the holders of such a positions, including the Funds, to close out of such positions. If the Funds were required to buy the shorted security in the market to make delivery under conditions which cause a period of sudden and unexpected significant increase in the value of the investment, the Funds could incur substantial losses.

Small- and Medium-Capitalization Companies

The Funds may invest a substantial portion of their assets in the securities of companies with small to medium-sized market capitalizations. While the firm believes these securities may provide significant potential for appreciation, these securities, particularly small-capitalization securities, involve higher risks than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies would be less liquid than investments in larger-capitalization companies.

Non-U.S. Securities

The Funds may invest without limitation in non-U.S. securities. Investing in these securities involves considerations and possible risks not typically involved in investing in securities of

companies domiciled and operating in the United States, including the instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect investment in non-U.S. securities. Higher expenses may result from investment in non-U.S. securities than would from investment in domestic securities because of the costs that must be incurred in connection with conversions between various currencies and foreign brokerage commissions that may be higher than in the United States. Non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Investments in foreign countries could be affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Risk Control Framework

No risk control system is fail safe, and no assurance can be given that any risk control framework designed or used by the Funds or the firm will achieve its objective. To the extent that risk controls will be based upon historical trading patterns for the financial instruments in which the Funds trade and upon pricing models for the behavior of such financial instruments in response to various changes in market conditions, no assurance can be given that such historical trading patterns will accurately predict future trading patterns or that such pricing models will necessarily accurately predict the manner in which such financial instruments are priced in financial markets in the future. There is no assurance that any risk control framework employed will be successful in minimizing losses to the Funds.

Options

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. The writing or purchasing of an option runs the risk of losing the entire investment in such option or of causing significant losses to the Funds in a relatively short period of time. Because option premiums paid or received by the Funds will be small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of embedded leverage. As a result, the leverage offered by trading in options could cause the Funds' asset values to be subject to more frequent and wider fluctuations than would be the case if the Funds did not invest in options. Upon the exercise of a put option written by the Funds on securities, they may suffer a loss equal to the difference between the price at which the Funds are required to purchase the underlying securities and their market value at the time of the option exercise, less the premium received from writing the option. Upon the exercise of a call option on securities written by the Funds, the Funds may suffer a loss equal to the excess of the market value of the securities at the time of the option's exercise over the Funds' acquisition cost of the securities, less the premium received from writing the option.

Commodity Trading Risks Generally

The Funds invest in commodity forward contracts, futures contracts (including financial futures), and other commodity interests or swaps from time to time. Trading in commodity interests is a highly specialized investment activity entailing greater than ordinary investment risk. Commodity markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. The low margin or premiums normally required in such trading may provide a large amount of embedded leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss.

There is no assurance that a liquid secondary market will exist for commodity futures contracts or options purchased or sold, and the Funds may be required to maintain a position until exercise or expiration, which could result in substantial losses. Many commodity exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. If prices fluctuate during a single day's trading beyond those limits — which conditions have in the past sometimes lasted for several days in certain contracts — the Funds could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses (or from promptly capitalizing on favorable positions and thus be subject to lost profit opportunities).

Litigation

From time to time, in the ordinary course of their operations, the Funds or the firm or their affiliates may be subject to litigation and arbitration, which can be costly and divert significant portions of available staff time and resources. Any litigation or arbitration could have a materially adverse effect on the Funds.

Cybersecurity

The firm, the General Partner, their affiliates, the Funds and their respective service providers (including the Funds' administrator) and counterparties, as well as other market participants on which the foregoing rely, are subject to cybersecurity risks, including the risk of a cybersecurity incident. Such persons increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and/or their investors, despite the efforts of firm, the General Partner, their affiliates, the Funds and their respective service providers (including the Funds' administrator) and counterparties, as well as other market participants on which the foregoing rely, to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and/or their investors.

A cybersecurity incident is an event that may cause the compromise of sensitive customer information, loss of proprietary information that has a material impact on the Funds, data corruption, or a loss of operational capacity. Cybersecurity incidents can result from deliberate cyber-attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining

unauthorized access to digital systems (for example, through hacking, malicious software coding or phishing) for the purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites, which may make network services unavailable to intended users. The issuers of securities and counterparties to other financial instruments in which the Funds invest are also subject to cybersecurity risks.

Cybersecurity incidents could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. These incidents may thus cause the Funds to suffer financial losses, interfere with the ability to calculate the Funds' net asset values, impede trading, disrupt the ability of investors to subscribe to or withdraw or redeem from the Funds, violate privacy and other laws and incur regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, information security and identity theft laws and regulations may impose regulatory obligations or risks, and certain costs may be incurred in order to comply with those regulations and otherwise attempt to prevent any cybersecurity incidents in the future that could adversely impact the Funds.

While the firm has established business continuity plans and risk management strategies to seek to prevent cybersecurity incidents, there are inherent limitations in such plans and strategies, including the possibility that certain risks have not been identified. Furthermore, the firm cannot control the business continuity plans or cybersecurity strategies put in place by other service providers to the Funds or issuers of securities and counterparties to other financial instruments in which the Funds invest.

Epidemics and Pandemics

The world has seen a number of outbreaks of new viral illnesses of varying severity, including Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), the H1N1 Flu (Swine Flu) and COVID-19 caused by the novel Coronavirus known as SARS-CoV-2. The responses to these outbreaks have varied as has their impact on human health, local economies and the global economy, and it is impossible at the outset of any such outbreak to estimate accurately what the ultimate impact of any such outbreak will be.

Although it is not possible to fully predict the consequences of any pandemic, including COVID-19, the pandemic is likely to have a material impact on the global economy. Historically, widespread outbreaks of communicable diseases have affected investment sentiment and caused sporadic volatility in global markets. Such effects will be unevenly distributed across sectors, businesses, and national economies, depending upon, amongst other things, the global distribution of detected cases of COVID-19 the severity and duration of its impact and the response of governments and markets. Certain sectors, including airlines, manufacturing, retail and tourism could be severely impacted and the timing and duration of any recovery for industries impacted is uncertain.

The full scope of the COVID-19 outbreak, its duration, intensity and consequences are uncertain and any resultant economic slowdown and/or negative business sentiment across markets may have a negative and long-lasting impact on the business operations and financial condition of a Funds, the firm and the Funds' investments themselves.

Countries and regions in which the Funds invests or the firm does business are susceptible to epidemics, pandemics and other outbreaks of serious contagious diseases. The occurrence of an any such outbreak could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the epidemic or pandemic). Protective measures taken by governments and the private sector, including the firm, to mitigate the spread of such illness, including travel restrictions and outright bans, quarantines and work-from-home arrangements, and the spread of any such illness within the offices of the firm and/or its or the Funds' service providers or counterparties could severely impair their respective operational capabilities, and could adversely affect the Funds' investment program and performance and/or the firm's business.

Private Company Investments

The Flagship Funds expect that they will make a limited number of illiquid investments in the securities of private companies, many or all of which will be designated as Designated Investments. Investments in private companies involve substantial risks, including, without limitation: (i) adverse or ineffective, as well as inconsistent, alignment of interests among management (including as a result of personal/family rather than business issues); (ii) technological obsolescence; (iii) financial planning misjudgment; (iv) employee or management misconduct; (v) lack of reliable financial information; and (vi) any number of general economic conditions that are beyond the control of both management and the firm, such as: changing market sentiment; changes in economic conditions, competition and technology; changes in interest rates; changing political conditions or events; and changes in tax laws and governmental regulation. There can be no assurance that a private company's management team will be able to operate the company successfully.

Moreover, the success of the Flagship Funds' investment in a private company depends on the firm's ability to liquidate such investment on behalf of the Flagship Funds. As there are no liquid markets for the securities of private companies, the Flagship Funds will usually need to await some "catalytic event" — *e.g.*, a buy-out or an IPO — to be able to realize any gain on any investment in a private company. Such "catalytic events" not only typically take a long time to occur, but also the nature and duration of such "catalytic events" is highly uncertain and unpredictable. The likelihood of such "catalytic events" occurring will be materially affected by prevailing market conditions. Once the Flagship Funds invest in a private company, should market conditions or the state of such private company change adversely or the firm's view of such investment otherwise deteriorate, the firm will have little, if any, ability to exit such investment (irrespective of whether such private company continues to have any prospects for profitability).

In addition, investments in a private company's equity securities will have little, if any, "recovery value" in the event of the bankruptcy of such private company.

There is no assurance that the Flagship Funds will be able to realize investments in private companies at attractive prices or otherwise be able to effect a successful realization or exit from any investment in a private company.

Dilution

Investing in private companies is subject to the risk of material dilution. This dilution can result from a private company's unanticipated need of additional financing, foreclosure by creditors or adverse litigation outcomes draining such company's resources and numerous other factors. Because private companies typically have limited financial resources, events which could be easily absorbed by larger capitalization public companies can force private companies to take steps which result in the positions of existing investors being severely compromised, and often without existing investors having the opportunity to maintain their investments by making an additional investment. The firm may have correctly identified a private company as having significant profit potential for the Flagship Master Fund, but the Flagship Master Fund may nonetheless be "squeezed out" of its position by subsequent financing activity.

Need for Follow-On or Protective Investments

Following its initial investment in a private company, the Flagship Master Fund may decide to provide additional funds to such private company or may have the opportunity to increase its investment in such private company (whether for opportunistic reasons, to fund the needs of the business, to avoid dilution or for other reasons). There is no assurance that the Flagship Master Fund will make any such follow-on or protective investments or that the Flagship Master Fund will have sufficient funds to make all or any of such follow-on or protective investments. The Flagship Master Fund's inability to or decision not to make a follow-on or protective investment in a private company may materially and adversely affect such private company (if, for example, such private company requires, but is unable to obtain alternative financing on acceptable terms) or may result in dilution of the Flagship Master Fund's investment (if, for example, such private company obtains financing from investors other than the Flagship Master Fund) or a lost opportunity for the Flagship Master Fund to increase its participation in such private company.

Analysis and Risk

Investing in private companies requires accurate and detailed analysis of each such private company and its shares. There can be no assurance that the firm's analysis will be accurate or complete. The Flagship Master Fund may be subject to substantial losses in the event of credit deterioration or bankruptcy of a private company in which it is invested.

Investments in PIPE Transactions

The Flagship Funds have in the past and may in the future engage in private investments in public equity ("PIPEs"), including in connection with investing in special purpose acquisition companies ("SPACs"). Investors in PIPE transactions purchase securities (*i.e.*, common stock, convertible preferred stock, convertible debentures, warrants or other equity or equity-like securities) directly from a publicly traded entity (typically with a small capitalization) in a private placement transaction, which may be at a discount to the market price of the entity's securities. Unlike the purchase of freely tradable common stock in the open market, PIPEs generally involve contractual

obligations requiring the issuer to register the securities for public resale. If an issuer fails to meet its contractual obligations, in addition to the possibility of being involved in costly litigation, the Funds may be unable to dispose of the securities at appropriate prices (if at all) or may experience substantial delays in doing so, and thus the Flagship Funds may not be able to realize the anticipated profit (or act to mitigate losses) with respect to such investment. There can be no assurances that an issuer will succeed in registering for public resale the securities held by the Flagship Funds or, that registration of securities pursuant to any such arrangement will create liquidity. PIPE investing is a resource-intensive strategy that involves making capital commitments to issuers without access to traditional capital markets and that that may be less likely to withstand business or cyclical downturns than larger companies. Analysis of the financial condition of each issuer is an important component of determining whether to make any such investment. Such analysis may result in material transaction costs that will be borne by the Flagship Funds.

PIPE investments are subject to a number of unique or heightened associated risks, including, without limitation, valuation risk, liquidity risk, hedging limitations, regulatory scrutiny, litigation risk and underwriting risk, and, if the PIPE is with a SPAC, may also be subject to many of the risks described above for SPACs.

Please refer to the offering documents of the Feeder Funds for a detailed description of the material risks related in an investment in the Funds.

9. DISCIPLINARY INFORMATION

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

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Cadian GP, LLC is an affiliate and related person of the firm (“Flagship Funds General Partner”). The Flagship Funds General Partner serves as the general partner of Cadian Fund LP and the general partner of the Flagship Master Fund. Cadian Opportunities GP, LLC is an affiliate and related person of the firm (together, with the Flagship Funds General Partner, the “General Partner”). Cadian Opportunities GP, LLC serves as the general partner of Cadian Opportunities Fund LP and the general partner of the Opportunities Master Fund. Any person acting on behalf of the General Partner is subject to the supervision and control of the firm in connection with any investment advisory activities. In accordance with SEC guidance, the General Partner is deemed registered as an investment adviser in reliance on the Form ADV filed by the firm.

The General Partner invests directly in certain of the Funds and certain of the firm’s employees also invest directly in the Feeder Funds. It should be noted that investments made by such parties are not subject to the management fee and/or Performance Compensation described in Section 5 above.

The firm is not actively engaged in any business other than giving investment advice to the Funds. Neither the firm nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity-trading adviser or associated person of any of the foregoing. The firm and the General Partner are “exempt commodity pool operators” with respect to the Funds under the rules of the Commodity Futures Trading Commission.

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

The firm has adopted a Code of Ethics as required under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), that sets forth a standard of business conduct for its access persons (which includes all employees). The Code of Ethics includes general requirements that the firm’s access persons comply with their fiduciary obligations to clients and applicable federal securities laws, and specific requirements relating to, among other things, personal trading and conflicts of interest. The firm’s Code of Ethics includes reporting guidelines that require access persons to periodically report their personal securities transactions and holdings to the firm’s Compliance Department and requires the Compliance Department to review those reports. The Code of Ethics also requires access persons to promptly report any violations to the firm’s Chief Compliance Officer, Liane Ming. Each access person receives a copy of the Code of Ethics (including any amendments) and must acknowledge in writing having received those materials. Clients and prospective clients may obtain a copy of the Code of Ethics by contacting the Chief Compliance Officer by telephone at (212) 792-8816 or email at lming@cadiancap.com.

As noted in Section 6 above, certain of the firm’s partners and employees (and certain friends and family thereof) have invested in the Funds. This creates a conflict of interest in that the firm’s partners and employees, on the one hand, and the Feeder Fund investors, on the other hand, may have conflicting interests. We address these potential conflicts through regular monitoring of each Fund’s portfolio for consistency with each Fund’s objectives, strategies and target capacity.

Under the firm’s Code of Ethics, the firm’s access persons are permitted in certain circumstances to personally own securities of issuers whose securities the firm may subsequently purchase for its clients (including the Funds). This creates a conflict of interest in that such access persons can use their knowledge about the firm’s actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, with limited exception subject to the Chief Compliance Officer’s (or her designee’s) preapproval, the firm prohibits its access persons from increasing exposure to any securities of individual public companies in their personal accounts while employed by the firm, and requires that its access persons obtain the Chief Compliance Officer’s (or her designee’s) prior written approval before reducing exposure to any securities of individual public companies that existed in their personal accounts upon initial hire by the firm. Access persons must also obtain the Chief Compliance Officer (or her designee’s) prior written approval before participating in limited offerings. We note, however, that the firm’s access persons are permitted to trade mutual funds, exchange traded funds, commodities, sovereign debt, currencies and other related products without the Chief Compliance Officer’s prior written approval. The Chief Compliance Officer may only approve a transaction requiring her approval if she concludes that the transaction would comply with the Code of Ethics. We also maintain a restricted securities list which includes securities that access persons are prohibited from trading.

12. BROKERAGE PRACTICES

We have complete discretion in selecting which broker to use for client securities transactions and the commission rates that clients will pay such brokers. In selecting a broker to execute client securities transactions, we may consider a number of factors, including, for example:

- financial stability and professional reputation of the broker;
- the price of the security and the broker's commission rates;
- research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), brokerage and other services provided by such broker that are expected to enhance the firm's general portfolio management capabilities;
- the size and type of the transaction;
- the difficulty of execution and the ability to handle difficult trades;
- the operational facilities of the brokers involved (including back office efficiency); and
- the ability to handle a block order for securities and distribution capabilities.

We do not maintain any commission sharing agreements. We utilize "soft dollar" arrangements with certain brokers to the extent that we deem it to be in the best interest of the Funds. Any use of "soft dollars" will come within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Consistent with this, the firm directs, and in its last fiscal year did direct, brokerage commissions from client transactions to a broker in recognition of research services furnished by such broker, as well as for services rendered in the execution of orders by such broker. Research services typically received by the firm (including in its last fiscal year) which are within Section 28(e), may include, but are not limited to:

- research reports (including market research);
- certain financial newsletters and trade journals;
- corporate governance research and rating services;
- attendance at certain seminars and conferences;
- discussions with research analysts;
- meetings with corporate executives;
- consultants' advice on portfolio strategy;
- data services (including services providing market data, company financial data and economic data); and
- advice from brokers on order execution.

Brokerage services within Section 28(e) may include, but are not limited to:

- services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians);
- trading software operated by a broker-dealer to route orders;
- software that provides trade analytics and trading strategies;
- software used to transmit orders;
- clearance and settlement in connection with a trade;
- electronic communication of allocation instructions;

- routing settlement instructions;
- post-trade matching of trade information; and
- services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

Accordingly, in the foregoing circumstances the firm may choose to execute trades with brokers that charge commissions which are higher than those charged by other brokers who may not offer such services. Moreover, when the firm executes trades with brokers that offer such services, it receives a benefit because it does not have to produce or pay for such research, products or brokerage services. The firm also has an incentive to select brokers based on its interest in receiving such research or other products or services rather than its clients paying the lowest commission. The research and other products and services resulting from the firm's brokerage relationships benefit its operations as a whole and all accounts that it manages, including those (if any) that do not generate the soft dollars that pay for such benefits. The firm generally does not allocate soft dollar benefits to client accounts proportionately to the commissions the accounts generate.

Although the firm will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services creates a conflict of interest between the firm and the Funds because the firm may be influenced to use certain brokers that provide such products or services in connection with brokerage, financing and other activities of the Funds.

The firm will periodically review the execution performance of broker-dealers executing its clients' transactions to make a good faith determination that the value of research and brokerage services received is reasonable in relation to the amount of commissions paid. Such reviews will generally be conducted at least semi-annually and will be documented. The reviews will generally be conducted by, among others, the firm's Chief Compliance Officer and firm's Traders.

From time to time, the firm participates in capital introduction events sponsored by broker-dealers and receives referrals for clients from broker-dealers, and places transactions with broker-dealers that provide the firm with opportunities to participate in capital introduction events and that refer investors to the Feeder Funds. Such events and referrals create a conflict of interest between the firm and the Funds because the firm has an incentive to select broker-dealers based on its interest in receiving such capital introduction opportunities and/or investor referrals rather than the Funds' interests in receiving the most favorable execution. However, the firm's policy is to not select broker-dealers in recognition of opportunities to participate in such capital introduction events or investor referrals, and the firm will only place transactions with such broker-dealers if it is otherwise consistent with seeking best execution for the Funds. Moreover, any such capital introduction and referral activities will be considered during the firm's periodic reviews described above.

The execution of the trading and investment strategies employed by our firm can often require complex trades, difficult to execute trades, the use of negotiated terms with counterparties such as in the use of derivatives, and the execution of trades involving less common or novel instruments.

In each case, the firm seeks best execution and has trained execution and operational staff devoted to executing, settling and clearing such trades. However, in light of the complexity and global diversity involved, some errors and miscommunications with brokers and counterparties are inevitable and may result in losses to the Funds. The firm will evaluate the merits of potential claims for damage against brokers and counterparties who are at fault, and to the extent practicable, will seek to recover losses from those parties. The firm may choose to forego pursuing claims against brokers and counterparties on behalf of the Funds for any reason including, but not limited to, the cost of pursuing claims relative to the likely amount of any recovery and the maintenance of its business relationships with brokers and counterparties. In addition, the firm's own execution and operational staff may be solely or partly responsible for errors that occur during the investment decision-making process or the trading process (such as in the placing, processing and settling of trades) that result in losses to the Funds. The firm attempts to minimize such trade errors by promptly reconciling confirmations with trade tickets, and by reviewing past trade errors to understand the internal control breakdown that caused the trade errors. To the extent that trade errors do occur, in accordance with its internal policies, the firm will review the error and attempt to correct it as soon as practicable. If the trade error cannot be corrected, the firm will bear any losses incurred by the Funds due to trade errors caused by the firm's willful malfeasance or gross negligence (the occurrence of "willful malfeasance" and "gross negligence" will be determined solely by the firm); all other losses are borne by the Funds. Any gains incurred by the Funds as a result of a trade error will be retained by the Funds for the benefit of their investors. The firm's staff will also ensure that trade errors are promptly reported to the relevant personnel and reviewed to determine whether policies or procedures should be changed to prevent future trade errors. For the avoidance of doubt, an allocation error will not be deemed a "trade error" but will be promptly corrected.

As our clients are private investment funds, we select all broker-dealers and do not permit our clients to direct brokerage.

The Funds are organized as a "master-feeder" structure. The Feeder Funds contribute all of their investable assets to the Master Funds. All portfolio investments are currently held at the Master Fund levels and the Feeder Funds are allocated their *pro rata* share of the applicable Master Fund's gains and losses.

In allocating investment opportunities, trades, expenses and gains and losses among the Funds, we will consider the relative available capital of the Funds, the size, exposure, liquidity and anticipated duration of the investment, the risk and portfolio management of a specific Fund, and contractual provisions, if any, applicable to a specific Fund.

Notwithstanding the foregoing, gains and losses may be allocated on a basis other than that specified above generally, (i) in cases where certain investors are barred from participating in the order (that is, IPO participation) or (ii) in cases where the firm determines (for any reason including, without limitation, to accommodate any laws, rules, regulations or policies to which an investor may be subject) that certain investments are suitable for some but not all of the investors.

Allocating Investment Opportunities; Investing in the Same Securities

The Funds have overlapping investment objectives and some investments may be appropriate for both Funds. Investment decisions for clients will be made with a view to achieving their respective investment objectives after consideration of factors such as their current holdings, availability of cash for investment and the size of the clients' investments generally. Consistent with its allocation policy, the firm may determine that an investment opportunity should be allocated to some but not all of the Funds. Further, in some cases, a particular investment may be bought or sold for one or more but fewer than all clients, or may be bought or sold in different amounts and at different times for one, but not both, Funds.

Decisions as to whether and how to allocate investment opportunities involve numerous factors, some of which are subjective, as set forth in the firm's allocation policy.

13. REVIEW OF ACCOUNTS

The Funds' portfolios are under continuous review and their performance is analyzed on a daily basis by the firm's portfolio manager, Chief Financial Officer, Chief Operating Officer and traders. The firm's operations team is responsible for ensuring the accuracy of trade confirmations and related documents. The operations team performs a daily position reconciliation between its portfolio accounting system and the prime broker records. The Funds' third party administrator also receives trade data both from the firm and from the prime brokers (independently). The administrator reconciles both reports on a daily basis and the firm's operations team reviews the daily activity at the administrator to ensure all such information is properly recorded.

Further, the firm's Chief Compliance Officer, with the assistance of the firm's other supervised persons, periodically reviews the firm's trading and current practices to ensure consistency with applicable law and regulations.

Generally, investors will receive the following written reports:

- monthly unaudited, estimated net asset value statements;
- quarterly unaudited reports of the performance of the Funds;
- quarterly qualitative reports on the Funds and the markets; and
- annual audited financial statements for the Funds.

14. CLIENT REFERRALS AND OTHER COMPENSATION

The firm has entered into a contractual arrangement with a third-party (the “Agent”) that solicits investors for Cadian Offshore Fund Ltd. The amount of compensation the firm pays to the Agent is based on the value of assets managed by the firm for the investors introduced by the Agent. The cost of these referral fees is paid entirely by the firm and is not borne by the referred investors. In the future, the firm may enter into additional arrangements with other third parties for soliciting potential investors for the Feeder Funds and may also receive investor referrals from brokers-dealers with whom it does business from time to time. For more information on our “soft-dollar” practices and potential receipt of investor referrals from brokers-dealers, along with a discussion of the related potential conflicts of interest and how we resolve them, please see Section 12.

15. CUSTODY

We are deemed to have custody of the Funds' assets under Rule 206(4)-2 of the Advisers Act by virtue of (i) our access to the Funds' assets and authority to instruct the administrator to deduct fees and other expenses from a Fund's account and (ii) services provided by our firm and our affiliate, the General Partner, to the Funds.

We utilize the services of a bank or other qualified custodian (as defined under Rule 206(4)-2) to hold all assets of the Funds. We also endeavor to ensure that the qualified custodian maintains these funds in accounts that contain only the Funds' funds and securities, under the Funds' names or our name as agent or trustee for the Funds.

While Rule 206(4)-2 generally requires an investment adviser to ensure that a qualified custodian sends account statements to clients at least quarterly, we are not subject to this requirement because all Funds managed by our firm are subject to an audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Audited financial statements are distributed to all investors in the Feeder Funds within 120 days after the end of the fiscal year of each Fund.

16. INVESTMENT DISCRETION

The firm has discretionary authority to manage the Funds pursuant to a grant of authority in an investment management agreement among the firm and the Funds. The firm is authorized to make purchase and sale decisions for the Funds. As noted in Section 4 above, investors in the Funds do not have the ability to impose limitations on the firm's discretionary authority. Prospective investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all supplements and other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors in the Feeder Funds must also execute a limited partnership agreement and/or a subscription agreement, each of which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with its terms.

17. VOTING CLIENT SECURITIES

We understand and appreciate the importance of proxy voting. In voting proxies, the firm is guided by general fiduciary principles. To the extent that the firm has discretion to vote proxies on behalf of the Funds, the firm will vote any such proxies in the best interests of the Funds and investors (as applicable) and in accordance with set compliance procedures.

The firm has entered into an agreement with Institutional Shareholder Services, an independent third party that provides services related to proxy voting, for Institutional Shareholder Services to provide the firm with research relating to proxies and to facilitate the electronic voting of proxies. The firm has instructed Institutional Shareholder Services that it should not execute any ballot on behalf of the firm without first receiving specific instruction from the firm to that effect. However, if Institutional Shareholder Services does not receive the firm's approval by the relevant voting deadline, Institutional Shareholder Services will execute ballots in accordance with its recommendation. On at least an annual basis, the firm's Chief Compliance Officer will ensure that Institutional Shareholder Services' independence and impartiality is reviewed internally.

Proxies relating to the Funds' securities are typically sent directly to Institutional Shareholder Services by the Funds' prime brokers. However, in the event that a proxy is not sent directly to Institutional Shareholder Services and is instead received by the firm, the firm's Chief Compliance Officer (or her designee) will promptly forward such proxy to Institutional Shareholder Services. If Institutional Shareholder Services cannot complete or provide its research regarding a security on a timely basis or at all (including where Institutional Shareholder Services is subject to conflicts of interest), and the firm has made a determination that it is in the best interests of the Funds for the firm to vote the related proxy, or if the firm decides to vote via Institutional Shareholder Services, the firm's general proxy voting procedures are required to be followed, as set forth below.

Under the firm's general proxy voting procedures, the firm's Chief Compliance Officer or her designee will: (i) keep a record of each proxy received; and (ii) provide the portfolio manager and/or analyst responsible for voting the proxy on behalf of the firm with any information that may be material in determining how to vote the proxy. Absent any material conflicts, the portfolio manager and/or analyst will determine whether the firm will follow Institutional Shareholder Services' recommendation (if available) or vote the proxy directly in accordance with the firm's voting guidelines. The portfolio manager and/or analyst will send his/her decision on how the firm will vote a proxy to the firm's Chief Compliance Officer (or her designee) who will then either submit the firm's votes using the Institutional Shareholder Services electronic voting platform or mail in the completed proxy in a timely and appropriate manner.

While the firm generally expects to use Institutional Shareholder Services' extensive proxy voting policy as its general guide in making voting decisions, the firm also believes that taking the following guidelines into consideration in voting proxies, is in the best interests of the Funds:

- Generally, the firm will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.

- For specific proposals, the firm will determine whether a proposal is in the best interests of its clients and may take into account the following factors, among others: Institutional Shareholder Services' analysis and recommendations; whether the proposal was recommended by management and the firm's opinion of management; whether the proposal acts to entrench existing management; and whether the proposal fairly compensates management for past and future performance.

In certain non-U.S. jurisdictions, a security holder that votes a proxy is prohibited from selling the security until the meeting for which the proxy has been voted is completed. This period of time may range from days to weeks. During this blocking period, shares that will be voted at the meeting cannot be sold until the meeting has taken place and the shares are returned to the clients' custodian banks. We may determine that the value of exercising the vote is outweighed by the detriment of not being able to sell the shares during this period. In cases where we want to retain the ability to trade shares, we may abstain from voting those shares.

In addition, the firm may choose to abstain from voting the Funds' securities if the firm believes that exercising voting authority would not be in the best interests of the Funds, including, for example, where voting would impose costs on the Funds. Generally, the firm will not vote the Funds' securities that have been lent to third parties or that have been re-hypothecated by brokers or other counterparties. The firm believes it is in the best interests of the Funds to permit the use of securities for lending and to permit brokers and other counterparties to re-hypothecate securities, rather than to preserve the right to vote those securities, because there are actual costs associated with recalling securities that have been lent to third parties and there are opportunity costs associated with not permitting securities to be used for lending (e.g., foregoing income from lending) and not permitting securities to be re-hypothecated (e.g., foregoing better fee arrangements and other terms from counterparties).

With respect to positions for which the Funds hold a long position but are net short (or net neutral), the firm will typically abstain (or refrain from voting), though the firm may elect to cast a vote if it determines it is in the best interest of the Funds to do so.

The firm's clients cannot direct the firm's proxy vote in any particular solicitation.

The firm's Chief Compliance Officer will examine conflicts that exist between the interests of the firm and the Funds with respect to proxy voting. This examination will include a review of the relationship of the firm, its personnel and its affiliates with the issuer of each security and any of the issuer's affiliates to determine if the issuer is a client or affiliate of the firm or has some other relationship with the firm, its personnel or the Funds. If, as a result of the Chief Compliance Officer's examination, a determination is made that a material conflict of interest exists, the firm will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of the Funds. If the proxy involves a matter covered by the voting guidelines and factors described above, the firm will generally vote the proxy in accordance with the voting guidelines.

The Chief Compliance Officer will maintain files relating to the firm's proxy voting procedures (and all related documents) generally via the Institutional Shareholder Services service or in

another easily accessible place. Records will be maintained and preserved for five years from the end of the fiscal year during which the last entry was made on a record.

If you have any questions about the firm's proxy policy, its proxy record-keeping procedures or if you would like a copy of the firm's proxy policy or any detailed information about how proxies are actually voted, please contact Liane Ming by telephone at (212) 792-8816 or email at lming@cadiancap.com.

18. FINANCIAL INFORMATION

Not applicable.