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**Collwick Funds GP, LLC**  
101 South Tryon Street, Suite 2660  
Charlotte, NC 28280  
Tel: (704) 243-9468

**March 27, 2024**

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This Form ADV Part 2A brochure (the "Brochure") provides information about the qualifications and business practices of Collwick Funds GP, LLC (the "Adviser"). If you have any questions about the contents of this Brochure, please contact the Adviser by telephone at 704-243-9468. This information 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 the Adviser also is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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**Item 2. Material Changes**

The summary of material changes describes only the material changes to the Brochure since the Adviser's last update which was dated July 6, 2023. Provided below is a summary of the key changes to this Brochure.

- The Adviser updated Item 4. Advisory Business to include the addition of Timothy R. Mochan as a principal owner;
- The Adviser updated Item 7. Types of Clients to include information related to minimum subscription amounts;
- The Adviser updated Item 10. Other Financial Industry Activities and Affiliations to disclose additional details with respect to side letter agreements and other agreements.

In addition, the Adviser has made routine updates and clarifying changes to the Brochure.

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**Item 4. Advisory Business****A. General Description of Advisory Firm.**

Collwick Funds GP, LLC (the “Adviser”) is a Delaware limited liability company with its principal place of business in Charlotte, North Carolina. The Adviser commenced operations as an investment adviser in November 2010. The Adviser is a wholly-owned subsidiary of Collwick Capital, LLC, a Delaware limited liability company. Hugh L. McColl III, John R. Wickham, and Timothy R. Mochan are the principal owners of Collwick Capital, LLC.

**B. Description of Advisory Services.**

The Adviser provides investment advisory services on a discretionary basis to pooled investment vehicles intended for sophisticated investors and institutional investors. The Adviser currently manages one pooled investment vehicle, which is structured as a U.S. master fund and a Cayman Islands feeder fund (the “Funds”). The Adviser invests the assets of the Funds primarily in a portfolio of hedge funds sponsored by third-party investment managers (the “Portfolio Managers”).

**C. Availability of Tailored Services for Individual Clients.**

The Adviser provides advice to the Funds based on specific investment objectives and strategies. The Adviser does not tailor advisory services to the individual needs of investors in the Funds (“Fund Investors”). The Adviser does not allow Fund Investors to impose restrictions on investing in certain securities or types of securities.

**D. Client Assets Under Management.**

As of December 31, 2023, the Adviser managed approximately \$319,131,757 of Regulatory Assets Under Management (“RAUM”), all on a discretionary basis.

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**Item 5. Fees and Compensation****A. Advisory Fees and Compensation.**Asset-Based Compensation

Depending on the share class, the Adviser charges each Fund an investment management fee of up to 1.35% per annum based on the value of the Fund’s net assets.

Investment management fees are charged quarterly in advance, based on the total market value of the assets in the Fund on the first business day of each quarter. The investment management fees are prorated for any period that is less than a full quarter and are adjusted for contributions and withdrawals made during a quarter.

The investment management fees are generally not negotiable; however, the Adviser, in its sole discretion, has waived the investment management fees for certain Fund Investors who are members, employees or affiliates of the Adviser, and relatives of such persons.

Fund Investors that have invested \$10 million or more in the Funds are charged a reduced investment management fee of 1.00% per annum. The Adviser, in its sole discretion, may also offer certain strategic investors the reduced management fee of 1.00% per annum.

### Performance-Based Compensation

Depending on the share class, the Adviser will also be paid or allocated, as applicable, a quarterly or annual performance-based allocation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a Fund. The performance-based compensation is up to 20% of a Fund Investor's share of net profits. With respect to certain Fund Investors, the performance-based compensation may include up to 0.25% per quarter of the Fund's net assets attributable to the investor.

The performance-based compensation paid or allocated to the Adviser is generally not negotiable; however, the Adviser, in its sole discretion, has waived such compensation for certain Fund Investors in the pooled investment vehicles who are members, employees or affiliates of the Adviser, and relatives of such persons.

Fund Investors that have invested \$10 million or more in the Funds receive a 25% discount on the performance-based compensation paid to the Adviser. The Adviser, in its sole discretion, also offers certain strategic investors a 25% discount on the performance-based compensation paid to the Adviser.

### **B. Payment of Fees.**

The Adviser deducts the investment management fee quarterly from a Fund by instructing the Fund's administrator.

Performance-based compensation is deducted from the Funds at the end of each fiscal quarter or fiscal year or upon withdrawal or redemption by an investor and paid to or reallocated to, as applicable, the Adviser.

### **C. Other Fees and Expenses.**

Fund assets are invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the master fund. In addition to paying investment management fees or, if applicable, performance-based compensation, Funds will also be subject to other investment expenses in accordance with the Fund's investment management agreement or offering documents such as outsourced legal, accounting, auditing and tax preparation, and other professional expenses (including, without limitation, expenses of consultants and experts) relating to investments, organizational expenses, Fund-related insurance costs, expenses of advisory committees, directors fees, administrator fees and custodial fees and investment expenses such as commissions, research expenses (including portfolio manager due diligence expenses), interest on margin accounts and other loans, fees paid to Portfolio Managers, the pro rata share of the expenses of any investment entities or accounts in which the Fund may invest, and any other expenses related to the purchase, sale or transmittal of Fund assets.

**D.** The allocation of expenses by the Adviser between it and a Fund and among the Funds represents a conflict of interest for the Adviser. The Adviser has adopted an expense allocation policy that is designed to address this conflict. The Adviser allocates expenses to each Fund in accordance with the Fund's arrangements with the Adviser (including the Fund's disclosure documents). The Adviser seeks to allocate shared expenses for products and services benefiting the Adviser and the Fund and not covered in the Fund's arrangements in a fair and reasonable manner. The Adviser may use a variety of methods to allocate common expenses among its Funds, including methods based on assets under management, relative use of a product or service, the nature or source of a product or service, the relative benefits derived by the Funds from a product or service, or other relevant factors.

### **E. Prepayment of Fees.**

The Funds are required to pay the Adviser's investment management fees in advance. If the Adviser's advisory contract with a Fund is terminated, any pre-paid fees are refunded in accordance with each Fund's offering documents.

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**Item 6. Performance-Based Fees and Side-by-Side Management**

The Adviser is paid or allocated performance-based compensation by the Funds. In addition, the Adviser's investment personnel have at times been compensated on a basis that includes a performance-based component in the form of a cash bonus. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements.

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**Item 7. Types of Clients**

The Adviser's clients consist of the Funds which are intended for sophisticated investors and institutional investors. The Adviser, however, is not precluded from advising types of clients other than the Funds. Initial and additional subscription minimums from Fund Investors are disclosed in the Funds' offering documents; however, the Adviser has discretion to waive the minimum amounts and accept lesser subscription amounts. The Adviser has waived the minimum subscription amounts for certain Fund Investors.

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**Item 8. Methods of Analysis, Investment Strategies and Risk of Loss****A. Methods of Analysis and Investment Strategies.**

The Adviser invests the assets of the Funds primarily in a portfolio of hedge funds sponsored by third-party investment managers (the "Portfolio Managers"). The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The Adviser's investment selection process consists of in-depth qualitative and quantitative analysis of the underlying Portfolio Managers. Potential Fund Investors should refer to the offering memorandum for the Fund for a further discussion of the applicable risks.

In its selection process, the Adviser may select Portfolio Managers with investment programs employing non-traditional investment strategies and/or more traditional approaches. Under the more traditional approaches, equity and/or fixed-income instruments are purchased simply to produce profits (capital gains, dividends and interest). In contrast, non-traditional investment approaches utilize a wider variety of techniques and investment instruments (as further described below). Non-traditional investment techniques may provide the Portfolio Manager with greater flexibility to affect both hedging and aggressive strategies. Prospective Fund Investors should note that these aggressive strategies might have little or no hedging components. By implementing a variety of non-traditional investment strategies, the Adviser hopes to produce positive returns in a wider variety of market environments.

The Adviser anticipates that strategies and financial instruments utilized by the Portfolio Managers may include:

*Global Macro.* The Portfolio Managers may attempt to anticipate global macroeconomic events using discretionary selection.

*Long/Short Equity.* Long and short investments in listed equities. In general, the strategy entails varying degrees of residual market sensitivity. Strategy approaches typically vary by region, sector, capitalization focus and investment process. These strategies could be net long or net short based upon the Portfolio Manager's market view at the time.

*Credit.* In general, this strategy entails investing in credit-related assets across all levels of the capital structure, including, investments in distressed debt securities and other financial instruments, high yield and investment grade loans and bonds, structured credit and special situations.

*Distressed and Hedged Distressed.* The investment in securities and claims of companies that are in weak or unstable financial condition with the anticipation that returns may be realized by a change in the financial

structure and/or operations of the company. In hedged distressed strategies, investments may be both long and short and may also involve market hedges.

*Event-Driven.* Investments in corporate securities and related derivatives involving a variety of catalyst-driven investment strategies, including, but not limited to, mergers and acquisitions, corporate restructurings, distressed investing, merger arbitrage, capital structure arbitrage, special situations and related situations.

*Quantitative Strategies.* The Portfolio Managers' investment programs may make considerable use of computer programs and involve highly complex mathematical calculations. The Portfolio Managers may direct the purchase or sale of investments in accordance with computer-generated trades.

*Multi-Strategy.* The Portfolio Managers may utilize components of multiple investment strategies. Such Portfolio Managers may impose no limitations on the investment instruments, markets or countries in which such Portfolio Manager may invest, on the investment strategies which such Portfolio Manager may employ, or on the type or amount of borrowings which such Portfolio Manager may enter into on behalf of an underlying pooled investment vehicle. Over time, the investment strategies implemented by such Portfolio Managers could change materially. Such Portfolio Managers may not be required to implement any particular investment strategies for the multi-strategy pooled investment vehicles that they manage and may discontinue employing any particular strategy, whether or not such investment strategies are specifically described in the relevant pooled investment vehicle's offering documents, without notice to the Adviser or the Funds.

These methods, strategies and investments involve(s) risk of loss to the Funds and Fund Investors must be prepared to bear the loss of their entire investment. There can be no assurances that the Adviser or the Portfolio Managers will be able to achieve their investment objectives.

## **B. Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies.**

### *Multiple Investment Managers*

All global macro, long/short equity, credit/distressed debt, event-driven, multi-strategy and quantitative investments risk the loss of capital. While the Adviser believes that its investment program will moderate this risk to some degree through multiple managers, no guarantee or representation is made that the investment program will be successful. Rather, it is possible that several Portfolio Managers may take substantial positions in the same security or group of securities at the same time. This potentially correlative behavior may decrease the Funds' overall diversification and may subject the investments to more rapid change in value than would be the case if the assets were more widely diversified. Further, the investment program may include the selection of Portfolio Managers who use such investment techniques as short sales, leverage, uncovered option and futures transactions, arbitrage, and distressed and event-driven transactions, which practices can, in certain circumstances, increase the adverse impact to which the assets may be subject.

Because the Adviser invests with Portfolio Managers who make their trading decisions independently, it is theoretically possible that one or more of such Portfolio Managers may, at any time, take positions that may be opposite of positions taken by other Portfolio Managers. It is also possible that the Portfolio Managers retained by the Adviser may on occasion be competing with each other for similar positions at the same time. Also, a particular Portfolio Manager may take positions for its other clients that may be opposite to positions taken for the Funds.

### *Portfolio Manager Expenses*

In addition to the direct expenses of the pooled investment vehicles that the Adviser manages, the indirect expenses include the payment of management and other fees to Portfolio Managers and the pooled investment vehicle's pro rata share of expenses of any investment entities in which it invests. For example,

strategies utilized by certain Portfolio Managers retained by the Adviser may require frequent trading, which will be out of the direct control of the Adviser and may generate significant portfolio turnover and brokerage commission expenses. Therefore, the overall expenses of the pooled investment vehicles may significantly exceed those of other investment entities of comparable size that do not invest in other funds.

#### *Loss Carryforwards in Underlying Funds*

Contributions made to a pooled investment vehicle at a time when it has a loss carryforward with respect to its investments in one or more of the underlying funds will have the effect of diluting a portion of each existing investor's indirect investment in such loss carryforward. Similarly, withdrawals made by a pooled investment vehicle (in order to satisfy investor withdrawal requests or otherwise) from an underlying fund at a time when the pooled investment vehicle has a loss carryforward will reduce the value of such loss carryforward.

#### *Activities of Portfolio Managers*

Although the Adviser seeks to select only Portfolio Managers who will invest client assets with the highest level of integrity, the Adviser will have no control over the day-to-day operations of any of the selected Portfolio Managers. Rather, the Portfolio Managers will have various levels of experience and will have exclusive responsibility for making trading decisions on behalf of the Funds. As a result, there can be no assurance that every Portfolio Manager engaged by the Adviser will invest on the basis expected by the Adviser.

#### *Other Clients of Portfolio Managers*

The Portfolio Managers may also manage other accounts (including other partnerships and accounts in which the Portfolio Managers may have an interest), which, together with accounts already being managed, could increase the level of competition for the same trades the Adviser might otherwise make, including the priorities of order entry. This could make it more difficult to take or liquidate a position in a particular security or futures contract at a price indicated by a particular Portfolio Manager's strategy.

#### *Valuation of Assets*

In general, the Adviser will rely on valuations provided to it by the Portfolio Managers in determining the valuations of the Funds' investments. However, the Adviser has the right to determine that some other valuation is more appropriate. Valuations of the investments (which will indirectly determine the amount of the performance-based and asset-based compensation) may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the Funds could be adversely affected. Independent pricing information may not at times be available with respect to certain securities and other investments, particularly illiquid investments. Accordingly, while the Portfolio Managers and the Adviser, as applicable, may use their best efforts to value all investments fairly, certain investments may be difficult to value and may be subject to varying interpretations of value.

#### *Leverage*

The Portfolio Managers may utilize leverage from time to time. Leverage increases returns to investors if the underlying funds earns a greater return on leveraged investments than the underlying fund's cost of such leverage. However, the use of leverage exposes the underlying funds to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the underlying fund not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions, (iii) losses on investments where the investment fails to earn a return that equals or exceeds the underlying fund's cost of leverage related to such investments and (iv) fluctuations in interest rates on the underlying fund's borrowings, which may have a negative effect on the underlying fund's profitability. In case of a sudden, precipitous drop in the value of the underlying fund's

assets, the underlying fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the underlying fund.

In an unsettled credit environment, the Portfolio Managers may find it difficult or impossible to obtain leverage. To the extent that underlying funds incur leverage as part of their investment strategy, the Portfolio Managers could find it difficult to fully implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Portfolio Managers being forced to unwind positions quickly and at prices below what the Portfolio Managers deem to be fair value for the positions.

**C. Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).**

*Equity Security Strategies*

Investments in equity securities by Portfolio Managers may include a broad variety of issuers and instruments and may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk, operations risk and loss attributable to significant economic leverage. There will be no overall requirements with respect to earnings, revenues, market capitalization or other criteria applicable to all Portfolio Managers, although individual Portfolio Managers may be selected which limit themselves to particular types of equity investments. Accordingly, equity investments may include many securities which are speculative or are of higher risk than those of the most mature or prominent companies. Long/short strategies and other strategies that Portfolio Managers may employ, such as pairs trading, depend largely upon identifying securities with appropriate features of negative correlation, i.e., that a loss in one position (whether long or short) will be more than outweighed by a gain in a related position. Similar to various types of arbitrage, if the anticipated pattern of price correlation does not in fact occur, or if the positions are not appropriately weighted, a Portfolio Manager may experience losses.

*Investments in Emerging Markets*

Some of the Portfolio Managers retained by the Adviser may invest in so-called emerging markets or less developed countries ("EMC" countries). It is possible, therefore, that the investments may be significantly concentrated in countries characterized by less stable economic or political conditions than in the largest mature Western economies. Emerging market investing is generally characterized as having higher levels of risk than in fully developed markets.

EMC investing involves certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries, including political and economic considerations such as: greater risks of expropriation, nationalization, and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies affecting investment and issues as to the orderly clearance and settlement of trades. In addition, accounting and financial reporting standards that prevail in certain of such countries generally are not equivalent to standards in more developed countries. There is also generally less regulation of the securities markets in EMC than there is in more developed countries. Placing securities with a custodian in EMC may also present considerable risks. In recent periods, EMC investors, particularly in Russia, Eastern Europe and the Far East, have experienced substantial losses, due in part to debt defaults, political turbulence and economic instability, which factors may be expected to continue.

*Short Sales; Options*

The Portfolio Managers may engage in the "short selling" of securities and may write or purchase options. While the use of borrowed funds and "short sales" can substantially improve the return on invested capital, their use may also increase any adverse impact to which the investments may be subject. Selling securities short, while often used to hedge investments, does run the risk of losing an amount greater than the initial

investment in a relatively short period of time. 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 can be no assurance that securities necessary to cover a short position will be available for purchase. The writing or purchasing of an option also runs the risk of losing the entire investment or of causing significant losses in a relatively short period of time.

#### *Quantitative Strategies Risk.*

Although the Adviser believes that the Portfolio Managers intend to carry out computer-generated calculations correctly, there can be no assurance that they will successfully be able to do so, nor does the use of a computer in collating information and operating a trading method assure the success of any such method. Errors, including but not limited to, inaccuracies in or corruption of data underlying trading algorithms, may occur with such complex calculations and computer programs which may be difficult to detect, and could have a material adverse effect on the Funds' profits. The magnitude of the effect of such errors may be exacerbated when the program results in a significant number of trades being executed over a short period of time. Furthermore, highly successful strategies and programs may become outdated over time, even before the Adviser and/or the Portfolio Managers are able to recognize the shift and prevent substantial loss.

#### *Derivative Instruments and Counterparty Risk*

To the extent the Funds invest in swaps (either directly or through Portfolio Managers), derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Funds may take a 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 that 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 and expose the parties to the risk of counterparty default.

#### *Futures*

Futures prices are highly volatile, with price movements being influenced by a multitude of factors such as supply and demand relationships, government trade, fiscal, monetary and exchange control policies, political and economic events and emotions in the marketplace. Futures trading is also highly leveraged. Further, futures trading may be illiquid as a result of daily limits on movements of prices. Finally, a Portfolio Manager's futures trading could be adversely affected by speculative position limits.

#### *Foreign Securities*

The Portfolio Managers may invest in securities of companies domiciled or operating in one or more foreign countries. 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 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, interest or other payments) or confiscatory taxation may also affect investment in foreign securities. Higher expenses may result from investment in foreign 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 the United States. Foreign 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.

### *Small Cap Stocks*

At any given time, the Portfolio Managers may have significant investments in smaller-to-medium sized companies of a less seasoned nature whose securities are traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that common stock prices may decline over short or even extended periods, the Portfolio Managers may invest in securities of companies that are not well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. The stocks of such companies may be more volatile in price and have lower trading volumes than the larger capitalization stocks included in the S&P 500 Index.

### *Global High Yield Securities*

The Portfolio Managers may invest in "high yield" bonds and preferred securities that are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

### *Convertible/Hybrid Arbitrage*

The Portfolio Managers may employ convertible arbitrage strategies, the success of which is dependent upon a number of factors, including the identification of paired senior and junior securities with price movement correlated in such a manner that, for example, in the event of a price decline in both securities, the price decline in the long position in the senior security will be more than offset by the gain in the short position in the junior security. In addition, successful convertible arbitrage positions often involve senior securities with sufficient yield so as to provide relative price stability. If such requisite elements of prospective positions are not properly analyzed, or unexpected events or price movements intervene, losses in such positions can occur, which can be magnified to the extent a Portfolio Manager is employing leverage. Convertible arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

### *Distressed Securities*

The Portfolio Managers may invest in "distressed" securities, claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties. Investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns, but also involve a substantial degree of risk. The underlying funds may lose a substantial portion or all of their investment in a distressed environment or may be required to accept cash or securities with a value less than the underlying fund's investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be

time-consuming and expensive, and can frequently lead to unpredicted delays or losses. Moreover, to the extent that a Portfolio Manager invests in distressed sovereign debt obligations, it will be subject to additional risks and considerations not present in private distressed securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which may be affected by world events, changes in U.S. foreign policy and other factors outside of the control of the Portfolio Manager. The market for distressed securities and instruments is generally thinner and less active than other markets, which can adversely affect the prices at which distressed securities can be sold.

The level of analytical sophistication, both financial and legal, necessary for successful investment in such companies, loans or claims is unusually high. There is no assurance that Portfolio Managers will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or rehabilitation of a distressed issuer or adequate realization upon such loans and claims. A Portfolio Manager's performance may be substantially impaired by unsuccessful distressed or low credit investments.

### *Special Situations*

The Portfolio Managers retained may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Adviser may be required to sell the investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss of the entire investment in such companies.

The aforementioned list of risk factors does not purport to represent all relevant risk factors applicable to the Adviser's pooled investment vehicles. Rather, for a more comprehensive list of risk factors related to a particular pooled investment vehicle, please refer to the applicable offering document.

## **D. Additional Risks Relating to the Adviser.**

### *Cybersecurity Risk*

The information and technology systems of the Adviser and of key service providers to the Adviser and the Funds, including but not limited to banks, custodians, lawyers, the administrator, and the auditor may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. For instance, cyber-attacks may interfere with the processing or execution of the Adviser's transactions, cause the release of confidential information, including private information about clients, subject the Adviser or its affiliates to regulatory fines or financial losses, or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds), affecting any of the Adviser's and the Funds' key service providers, may cause significant harm to the Adviser and the Funds, including the loss of capital. Similar types of cybersecurity risks are also present for Portfolio Managers in which the Funds invest. These risks could result in material adverse consequences for such Portfolio Managers and may cause the Funds' investments in such Portfolio Managers to lose value. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or the Funds and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information, which may result in identity theft.

### *Risk Management Failures*

Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of the Funds may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to the Funds.

### *Systems and Operational Risk*

The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, Fund Investors, and third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of trading activities, liability under applicable law, regulatory intervention, or reputational damage.

### *Effects of Health Crises and Other Catastrophic Events*

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on Fund investments and the Adviser's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain supplies and component parts, and reduced or disrupted operations for Portfolio Managers and the Funds. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Adviser and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

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## **Item 9. Disciplinary Information**

This Item is not applicable.

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## **Item 10. Other Financial Industry Activities and Affiliations**

The Funds have and may in the future enter into side letter agreements ("Side Letters") with certain prospective or existing Fund Investors whereby such Fund Investors are subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the Fund. No Fund investors have preferential withdrawal rights in terms of frequency or notice, but pursuant to Side Letter agreements, fully withdrawing investors have had the audit holdback waived with agreement that a make-whole payment may be required to the extent the audited capital account differs from the unaudited capital account. In addition, the Adviser has approved the waiver of the withdrawal notice period requirement for a Fund Investor on a one-time basis due to an extenuating circumstance, in this case due to the death of a Fund Investor. The Funds have and may in the future enter into Side Letters that provide additional reporting and information sharing rights, certain notification rights, certain future investment capacity rights, certain rights granted with respect to an investor's status-specific requirements as a government-related investor, and other general provisions that may be negotiated between the Funds and such Fund Investors.

The modifications are solely at the discretion of the Adviser and may, among other things, be based on the size of the Fund Investor's investment in the Fund.

The Adviser's supervised persons are permitted to engage in outside business activities only with prior written consent from the Adviser's chief compliance officer. Outside business activities have the potential to conflict with the supervised person's duties to the Advisor. All supervised persons permitted to engage in any outside business activities have an ongoing obligation to notify the Adviser's chief compliance officer of any new conflicts of interest or any change in the nature of an existing conflict of interest.

The Adviser has entered into a relationship agreement (the "Relationship Agreement") with a strategic investor of the Funds (the "Strategic Investor"). Pursuant to the Relationship Agreement, a principal of the Adviser, John R. Wickham, will serve on the investment committee of the Strategic Investor and the Adviser will utilize and pay for certain ongoing analytics provided by the Strategic Investor which assist the Adviser with investment due diligence of Portfolio Managers and are an eligible expense of the Funds. Such a relationship has the potential to create conflicts of interest as it may create an incentive to recommend investments in Portfolio Managers in a manner that favors the interest of the Strategic Investor over the interest of the Funds. Each of the Adviser and the Strategic Investor have adopted policies and procedures to mitigate such conflicts. With respect to his participation on the investment committee for the Strategic Investor, Mr. Wickham will be recused from voting on the Strategic Investor's investment committee in respect of any matter relating to the Funds and the Strategic Investor will be prohibited from directly investing in Portfolio Managers in which the Funds are invested unless either (i) the Strategic Investor has a pre-existing relationship with the Portfolio Manager independent of the Adviser or (ii) the Strategic Investor desires to have a proportionally greater exposure to such Portfolio Manager than the Funds' weighting. With respect to the ongoing analytics provided by the Strategic Investor, if the analytics are also used for purposes other than investment due diligence of Portfolio Managers, the Adviser will follow an expense allocation methodology, overseen by the Adviser's chief compliance officer, in determining the portion of the analytics fee that is to be paid by the Adviser and the portion of the analytics fee that is to be paid by the Funds.

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

**Code of Ethics.** The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Funds before their own interests and to act honestly and fairly in all respects in their dealings with the Funds. All of the Adviser's personnel are also required to comply with applicable Federal securities laws. Current or prospective Fund Investors may obtain a copy of the Code by contacting the Adviser's chief compliance officer by telephone at 704-243-9468.

The Adviser and its supervised persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment, which includes disclosure of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Adviser's chief compliance officer prior to giving/receiving gifts above a certain de minimis threshold.

The Adviser, or its related persons, in the course of their investment management and other activities, may come into possession of confidential or material nonpublic information about issuers. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Fund Investor. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to the Funds and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Funds or using such information for the Funds' benefit. In such circumstances, the Adviser will have no responsibility or liability to the Funds or Fund Investors for not disclosing such

information to the Funds (or the fact that the Adviser possesses such information), or not using such information for the Funds' benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

In addition, the Adviser or its access persons have at times invested in the same hedge funds the Adviser recommends to the Funds. Based on the applicable investment objectives, risk tolerance and/or asset allocation(s), the Adviser or its access persons may invest in a particular hedge fund in a manner that is the same as or different from the investment activity undertaken by the Adviser on behalf of the Funds. Such practices present a conflict when, because of the information an Adviser has, the Adviser or its access persons are in a position to invest in a manner that could adversely affect the Funds. The Adviser has adopted procedures in an effort to minimize such conflicts: The Adviser requires its access persons to preclear certain limited offerings, including private investment funds such as hedge funds, and initial public offerings in their personal accounts with the Adviser's chief compliance officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of the Funds. In addition, the Adviser's Code prohibits the Adviser or its access persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Adviser's chief compliance officer. All of the Adviser's access persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser's access persons are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter.

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## **Item 12. Brokerage Practices**

Currently, the Adviser invests primarily all of the assets of the Funds with the Portfolio Managers. Due to the nature of its business, the Adviser does not typically utilize broker-dealers to execute transactions, other than for investments in cash-equivalent instruments such as shares of money market funds. However, it is expected that the Portfolio Managers (and to the extent applicable, the Adviser) will utilize broker-dealers and will allocate brokerage business generally on the basis of best available execution and in consideration of such brokers' provision of brokerage, research and related services. However, the Adviser receives research or other products or services other than execution from a broker-dealer in connection with its services. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)").

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; 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); advice from broker-dealers on order execution; and certain proxy services. 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 adviser 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.

A principal of the Adviser, John R. Wickham, currently has a family member who is an employee with certain broker-dealers who execute trades in cash-equivalent instruments such as shares of money market funds on behalf of the Funds. Such relationships pose a potential conflict of interest in the selection of broker-dealers to execute trades. To address this conflict of interest, the Adviser will execute client trades through broker-dealers with which the Adviser has such relationships only if it is determined by the Adviser's chief compliance officer of the Adviser, or in the case of relationships of Timothy R. Mochan, John R. Wickham, that client trades with such broker-dealers are otherwise consistent with seeking best execution.

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**Item 13. Review of Accounts**

Each investment by the Funds is reviewed by the Adviser on a periodic basis to determine whether such investments should be maintained.

Significant market events affecting the value of the Fund's investments will likely trigger reviews of the Fund's investments on an other than periodic basis.

Fund Investors receive reports from the Funds pursuant to the terms of the Fund's offering memorandum or as otherwise described in the offering documentation.

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**Item 14. Client Referrals and Other Compensation**

This Item is not applicable.

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**Item 15. Custody**

The Adviser is deemed to have custody of the assets of the Funds and intends to comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, by meeting the conditions of the pooled vehicle annual audit provision.

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**Item 16. Investment Discretion**

The Adviser provides investment advisory services on a discretionary basis to the Funds which are intended for sophisticated investors and institutional investors. The Adviser invests the assets of its Funds primarily in a portfolio of hedge funds sponsored by the Portfolio Managers.

Prior to assuming full discretion in managing a Fund's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

The Adviser has the authority to determine (i) the securities to be purchased and sold for the Funds (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Funds.

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**Item 17. Voting Client Securities**

It is not anticipated that the Funds will hold interests that require proxy voting.

If a material conflict of interest between the Adviser and a Fund exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Fund or take some other appropriate action.

Fund Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser has voted a Fund's proxies by contacting the Adviser's chief compliance officer by telephone at 704-243-9468.

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**Item 18. Financial Information**

There are no financial conditions that are reasonably likely to impair the Adviser's ability to meet contractual commitments to the Funds.