

Union Square Park Capital Management, LLC

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March 28, 2024

This brochure (this "Brochure") provides information about the qualifications and business practices of Union Square Park Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us by e-mail at info@uspcm.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Registration as an investment adviser does not imply that Union Square Park Capital Management, LLC or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Union Square Park Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

There are no material changes to report since March 30, 2023, the date of Union Square Park Capital Management LLC's most recent annual updating amendment to its Brochure. Nonetheless, clients and investors are encouraged to read this document in its entirety.

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Item 4. Advisory Business

Union Square Park Capital Management, LLC (“we,” “us,” or “our”) is a Delaware limited liability company that was formed in November 2011 and began operations in April 2015. We are principally owned and controlled by Leon M. Zaltzman, who is our Founder and Managing Member (the “Managing Member”).

We provide discretionary investment advice to a private fund, Union Square Park Partners, LP (the “Fund”). We expect to provide investment advice to separately managed accounts (“SMAs”) and additional private funds in the future. References throughout this document to “clients” refer to the Fund and any other private funds and SMA’s that we may advise in the future.

Client accounts are managed in accordance with their own investment and trading objectives, as described in their respective offering documents, governing agreements or advisory agreements (collectively, the “Governing Documents”). We do not permit investors in the Fund to impose limitations on the investment activities described in the Fund’s Governing Documents. Under certain circumstances, we may contract with SMA clients to adhere to limited risk and/or operating guidelines imposed by such clients. We would negotiate such arrangements on a case-by-case basis. (*See Item 16 - Investment Discretion.*)

Union Square Park GP, LLC (the “Union Square Park GP”) serves as the general partner to the Fund.

We do not participate in wrap fee programs.

As of December 31, 2023, we managed \$158,616,879 of regulatory assets under management on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Item 5. Fees and Compensation

Our fees and compensation are described in the Fund’s Governing Documents. The Fund pays us a quarterly management fee of 0.375% (approximately 1.5% on an annualized basis). Management fees are paid in advance. Management fees will be prorated for all partial quarter billing cycles. We deduct management fees from the Fund. We have waived or modified the management fee applicable to certain investors and may do so in the future with respect to other investors, in our discretion.

The Union Square Park GP is entitled to receive performance-based allocations from the Fund, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

Our compensation schedule with respect to any future client will be contained in the Governing Documents relating to such account.

The Fund bears its own expenses, including, but not limited to, investment-related expenses such as the Fund’s brokerage commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees, withholding and transfer fees, taxes, systems and technology expenses, third party research tools, corporate licensing fees, legal and auditing expenses (including without limitation costs and expenses relating to updates to offering documents), accounting, fund administration, filing fees and expenses (including regulatory filings made in respect of the Fund such as Forms 13D, 13G, 13F, PF, other regulatory reporting and investing, and Blue Sky preparation and filing expenses), outsourced risk management advisory and software, online news and quotation services, computer hardware and software used for research (including Bloomberg service licenses), investment-related consultants and

travel costs that are research related, expenses incurred with respect to the preparation, duplication and distribution to investors and prospective investors of Fund offering documents, annual reports and other financial information, and any other services or service provider expenses deemed necessary by us on behalf of the Fund.

We also allocate a portion of certain clients' capital to money market funds or exchange-traded funds ("ETFs"). In addition to the fees and expenses discussed above, clients will indirectly incur similar fees and expenses if we invest their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

The Fund may co-invest with, or provide co-investment opportunities to, other funds, private investors, groups or individuals, including Fund investors (or their affiliates), in our sole discretion. Co-investment with such parties may reduce amounts the Fund can invest in any given opportunity, and we may be unable to make as large of an investment out of the Fund as otherwise might be desirable. In addition, the allocation of investments between the Fund and such other parties will be at our discretion, and if such other parties offer us more favorable economic terms than we would receive from the same investment out of the Fund, we may have a conflict of interest with respect to allocating investments between the Fund and such other parties. We may charge management fees or carried interest with respect to such co-investments. We may also form one or more entities separate from the Fund to facilitate participation in co-investment opportunities.

The expenses that would be charged to any future client account would be determined on a case-by-case basis.

For a more detailed discussion of brokerage and transaction costs, see *Item 12 – Brokerage Practices*.

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

The Union Square Park GP is entitled to receive a performance allocation from the Fund on an annual basis and upon withdrawals by investors. Such performance allocation is equal to 20% of the capital appreciation of the Fund's assets and is subject to a loss carryforward mechanism. We have waived or modified the performance allocation applicable to certain investors and may do so in the future with respect to other investors, in our discretion.

Our compensation schedule with respect to any future client account will be contained in the Governing Documents relating to such account.

Performance-based compensation arrangements create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement.

Currently, the Fund is our only client. To the extent that we advise additional client accounts in the future, performance-based compensation arrangements could also create an incentive for us to favor accounts with higher compensation rates over other accounts when allocating investments. Accordingly, if we manage additional client accounts in the future, we will adopt and follow procedures designed and implemented to ensure that all clients are treated fairly and equitably.

In addition, because the Fund's management fees and performance-based compensation are generally based on the Fund's net asset value, we will have a conflict of interest in valuing the Fund's assets. To

mitigate this conflict, we follow documented valuation policies and periodically consult with auditors and the Fund's administrator (the "Administrator").

Item 7. Types of Clients

Investors in the Fund are generally family offices, high net worth individuals and foundations that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended (the "Securities Act")). The minimum initial investment in the Fund is generally \$1,000,000. We have waived, and may in the future waive, such minimum under certain circumstances.

If we determine to require a minimum investment for any future client accounts, we will make that determination on a case-by-case basis.

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

Methods of Analysis and Investment Strategies Generally

The Fund's investment objective is to obtain superior, risk-adjusted, total returns on capital. The Fund seeks to meet its objective substantially, but not solely, by investing in securities and derivatives of public companies traded in domestic and international, listed and over-the-counter markets across sectors. We believe that thorough evaluation of changes in the life-cycle of a company requires expertise and present attractive opportunities for profit. Such changes involve spin-offs, mergers, refinancing, special dividends, strategic asset acquisitions and disposals, tenders, buy-backs, exchanges, conversions, financial engineering transactions, recapitalizations, bankruptcy, liquidation, litigation, earnings and other corporate events. We seek to capitalize on corporate events typically in micro-, small- and mid-capitalization companies. We believe that there are significant market and knowledge inefficiencies in micro-capitalization and small-to-medium-capitalization companies that allow focused investors to find profitable, liquid investment opportunities. The Fund also invests in large capitalization companies that fit into the various investment strategies described herein.

The Fund invests in companies in both the U.S. and in the rest of the world, with international opportunities comprising a meaningful portion of the Fund's portfolio. The number of positions will depend on market conditions and the risk-return profile of the specific securities in which the Fund is investing. We intend to have a fairly concentrated portfolio of long positions. In the event that we determine it is advantageous for the portfolio, there will be either more or less concentration in the long positions in the portfolio at particular points in time.

In addition to the public company investments described above, the Fund also invests in special purpose acquisition companies ("SPACs") (including without limitation founders shares of such SPACs) and privately-offered securities, including, but not limited to, common stocks, preferred stocks, convertible bonds, convertible preferred stocks, and privately-offered securities commonly known as "PIPEs" (private investments in public equity). These privately-offered securities may be offered by issuers who are either public (trading on an exchange) or private. Certain securities that may be acquired by the Fund are expected to be subject to legal restrictions on resale and, therefore, may be illiquid and subject to wide fluctuations in value.

The Fund may also invest in certain "tax-advantaged" investments, including but not limited to municipal bonds, publicly traded master limited partnerships ("MLPs"), real estate investments trusts ("REITs") and tax-exempt municipal bonds and obligations, which will be limited to certain classes of investors.

Additionally, the Fund invests in other types of securities and uses a variety of investment techniques to generate profit and/or control risk, including, but not limited to, engaging in short sales, participating in swaps and swaptions, buying or selling futures contracts, purchasing and writing options and other derivative contracts, purchasing or selling debt instruments (including, but not limited to, term loans and debtor-in-possession (DIP) financing) and trading on margin by borrowing funds and pledging securities as collateral. As a normal part of its strategy and in an effort to maximize returns to capital, the Fund employs leverage.

The above objectives and methods are a summary of our current intentions and should not be viewed as either exhaustive or invariable. We have broad discretion to use any trading or investment techniques, whether or not contemplated by the strategies described above, in order to attempt to achieve the return goals and the best interests of the Fund.

We expect that future client accounts would pursue the same or similar strategies as those set forth above.

Investing involves a risk of loss that clients and investors should be prepared to bear.

Risk Factors

Our investment strategy involves significant risks. A discussion of the material risks is provided below. Prospective clients and investors are urged to review the applicable Governing Documents carefully and consult with their own financial, legal and tax advisers before investing with us.

General Investment and Trading Risks. An investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Fund invests in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that the Fund's program will be successful. The Fund's investment program utilizes investment techniques including, but not limited to option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which the Fund may be subject.

Equity Investments. The Fund's equity investments 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. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Fund invests (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 prices are directly affected by issuer specific events, as well as general market conditions. 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.

Public Company Delisting and Deregistering. The public company securities that the Fund invests in may choose to delist or deregister or may be forced to delist or deregister involuntarily. Delisting or deregistration normally leads to a devaluation of such securities and decreased liquidity for investors such as the Fund. Furthermore, involuntary delisting and deregistration can badly damage a company's reputation, especially among investors.

SPAC Risk. A SPAC is a publicly traded company formed for the purpose of raising capital through an IPO to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Following the acquisition of a target company, a SPAC typically would exercise control over the management of such target company in an effort to increase the value of such target company. Capital raised through the IPO of securities of a SPAC is typically placed into a trust until the target company is acquired or a pre-determined period of time elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired and such target company's value increased. In the event that a SPAC is unable to locate and acquire target companies by the deadline, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire target companies by the deadline; (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC; (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in "blank check" companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules; (iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business; (v) the value of any target company may decrease following its acquisition by such SPAC; (vi) the value of the funds invested and held in the trust decline; (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition; (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made; (ix) a significant portion of the monies raised by the SPAC for the purpose of identifying and effecting an acquisition or merger may be expended during the search for a target transaction; (x) any proposed merger or acquisition may be unable to obtain the requisite approval, if any, of SPAC shareholders; (xi) an acquisition or merger, once effected, may prove unsuccessful and an investment in the SPAC may lose value; (xii) the warrants or other rights with respect to the SPAC held by the Fund may expire worthless or may be repurchased or retired by the SPAC at an unfavorable price; (xiii) the Fund may forfeit its right to receive additional warrants or other interests in such SPAC if it redeems its interest in the SPAC in connection with an acquisition of a target company; (xiv) the Fund will be delayed in receiving any redemption or liquidation proceeds from a SPAC to which it is entitled; (xv) an investment in an SPAC may be diluted by additional later offerings of interests in the SPAC or by other investors exercising existing rights to purchase shares of the SPAC; (xvi) no or only a thinly traded market for shares of or interests in an SPAC may develop, leaving the Fund unable to sell its interest in an SPAC or to sell its interest only at a price below what the Fund believes is the SPAC interest's intrinsic value; (xvii) the values of SPACs may be highly volatile and may depreciate significantly over time and (xviii) the Fund will bear a sales commission with respect to such SPAC investment, which may be significant. In addition, most SPACs are illiquid and have a concentrated shareholder base that tends to be composed of hedge funds (at least at inception). The Fund may invest in founders shares of a SPAC as well as a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In such circumstances, there may be limited basis for the Fund to evaluate the possible merits or risks of such SPAC's investment in any particular target business. To the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

Lack of SPAC Operating History. Because SPACs often do not have an operating history or ongoing business other than seeking an acquisition of a target company, the value of their securities may be particularly dependent on the quality of its management and on the ability of the SPAC's management to identify and

complete a profitable target company acquisition. Some SPACs may pursue transactions only within certain industries or regions, which may increase the volatility of an investment in them. In addition, the securities issued by a SPAC, which may be traded in the over-the-counter market, may become illiquid and/or may be subject to restrictions on resale.

Availability of Investment Opportunities. The business of identifying investments is highly competitive, and we can expect to face significant competition in identifying investment opportunities which meet the Fund's investment objectives. It is possible that the Fund will never be able to fully invest its capital if we cannot identify enough investment opportunities. Although we anticipate that we will review a sufficient number of promising investment opportunities in which to invest all of the Fund's committed capital, no assurance can be given that this will occur. For the avoidance of doubt, we have no obligation to present any investment opportunities to the Fund.

Micro-, Small- and Mid-Capitalization Risks. A portion of the Fund's assets are invested in securities of micro-capitalization, small-capitalization and mid-capitalization issuers. While in our opinion the securities of micro-, small- and mid-capitalization issuers may offer the potential for greater capital appreciation than investments in securities of large-capitalization issuers, securities of smaller-capitalization issuers may also present greater risks. For example, some micro-, small- and mid-capitalization issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-capitalization issuers. The market prices of securities of micro-, small- and mid- capitalization issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-capitalization issuers. Transaction costs in securities of micro-, small- and mid-capitalization issuers may be higher than in those of large-capitalization issuers.

Exchange Traded Funds. The Fund invests in ETFs, which are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based.

Commodities and Derivative Investments. The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, the Fund's assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

The Fund buys and sells (writes) both call options and put options, and when it writes options, it does so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Fund’s option transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which the Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions the Fund may enter into, the principal risks involved in options trading can be described as follows: When the Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of their investment in the option (including commissions). The Fund could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (*e.g.*, by buying the securities or buying calls on them) in securities underlying put options.

When the Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is “covered.” If it is covered, the Fund would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Fund might suffer as a result of owning the security. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

Options and Bond Volatility. The Fund may buy or sell options and convertible bonds. Changes in option and convertible bond volatility are extremely difficult to predict. If the Fund is short options or convertible bonds and the volatility increases, or if the Fund is long options or convertible bonds and volatility declines, the Fund could be affected materially and adversely.

Use of Leverage and Financing. The Fund may leverage its capital if we believe that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its securities in order to borrow additional funds for investment purposes. The Fund may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. There is no limit on the Fund’s ability to borrow or use leverage. While leverage presents opportunities for increasing the Fund’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund’s investments could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged. The use of short-term margin borrowings results in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund’s margin accounts decline in value, the Fund could be subject to a “margin call,” pursuant to which the Fund must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of

the Fund's assets, the Fund might not be able to liquidate assets quickly enough to satisfy its margin requirements. The Fund may borrow by entering into reverse repurchase agreements. Under a reverse repurchase agreement, the Fund sells securities and agrees to repurchase them at a mutually agreed date and price. Reverse repurchase agreements may involve the risk that the market value of the securities retained in lieu of sale by the Fund may decline below the price of the securities the Fund has sold but is obligated to repurchase. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the Fund's obligation to repurchase the securities and the Fund's use of the proceeds of the reverse repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the securities that the Fund has purchased has decreased, the Fund could experience a loss. The financing used by the Fund to leverage its portfolio is extended by securities brokers and dealers in the marketplace in which the Fund invests. While the Fund attempts to negotiate the terms of these financing arrangements with such brokers and dealers, its ability to do so is limited. The Fund is therefore subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer's willingness to continue to provide any such credit to the Fund. Because the Fund currently has no alternative credit facility which could be used to finance its portfolio in the absence of financing from broker-dealers, it could be forced to liquidate its portfolio on short notice to meet its financing obligations. The forced liquidation of all or a portion of the Fund's portfolio at distressed prices could result in significant losses to the Fund.

MLP Risk. Investments in securities of MLPs involve risks that differ from investments in common stock, including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's right to require unit holders to sell their common units at an undesirable time or price. MLP common units, like other equity securities, can be affected by macro-economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards an issuer or certain market sector, changes in a particular issuer's financial condition, or unfavorable or unanticipated poor performance of a particular issuer (in the case of MLPs, generally measured in terms of distributable cash flow). Prices of common units of individual MLPs, like the prices of other equity securities, also can be affected by fundamentals unique to the partnership or company, including earnings power and coverage ratios. MLPs do not pay U.S. federal income tax at the partnership level. Rather, each partner is allocated a share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law, or a change in the underlying business mix of a given MLP, could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP. Thus, if any of the MLPs owned by the Fund were treated as a corporation for U.S. federal income tax purposes, it could result in a reduction of the value of the Fund's investment.

REIT Risk. In addition to general stock market risks described above, investment in REITs subjects investors to other specific risks, including but not limited to, adverse developments affecting the real estate industry and real property values, interest rate risk, as well as risks of REIT ownership. Investment in real estate is highly sensitive to general and local economic conditions and developments, and is characterized by intense competition and periodic overbuilding. Rising interest rates may cause investors to demand a high annual yield from future distributions that, in turn, could decrease the market prices for such REITs. In addition, rising interest rates also increase the costs of obtaining financing for real estate projects.

Because many real estate projects are dependent upon receiving financing, this could cause the value of a REIT in which the Fund invests to decline. There are also special risks associated with investing in REIT preferred stock. Preferred stock may include provisions that permit the issuer, in its discretion, to defer or omit distributions for a certain period of time, which may subject the Fund to certain adverse tax consequences. Preferred stock may be less liquid than many other securities, such as common stock, may be subordinated to other securities and generally offer no voting rights with respect to the issuer. Similar to MLPs, certain REITs may be subject to special U.S. federal tax requirements and a REIT that fails to comply with such tax requirements may be subject to U.S. federal income taxation, which may affect the value of the REIT and the characterization of the REIT's distributions. The U.S. federal tax requirement that a REIT distribute substantially all of its net income to its shareholders may result in the REIT having insufficient capital for future expenditures.

SPAC Warrants. Warrants issued by SPACs do not have any voting power and thus warrant holders will not have an opportunity to decide whether to extend the deadline for closing a merger or whether to approve a merger. If a merger does not occur, the warrants held by the Fund with respect to a SPAC will expire worthless. Furthermore, warrants may never meet the strike price by their expiration date. In this instance, the warrants held by the Fund with respect to a SPAC will also expire worthless.

PIPES and Other Restricted Securities. The Fund invests in PIPE financings. In a PIPE transaction, the Fund typically purchases unregistered equity securities of a class of securities that is publicly traded and receives registration rights with respect to the unregistered securities that it purchases. The securities are not publicly tradable when the Fund purchases them, however, and they may never become publicly tradable.

The Fund also invests in restricted securities that are subject to substantial holding periods or that are not traded in public markets. Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. Such restricted securities may not be eligible to be traded on a public market even if a public market for securities of the same class were to exist or develop. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.

Investment Companies. The Fund invests in closed-end investment companies. Unlike open-end mutual funds, the shares of closed-end investment companies are not purchased and redeemed by investors directly with the Fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. Investors in closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

Special Situations. The Fund invests in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, split-offs, reorganizations, mergers, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction will either be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund 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 Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome

of transactions involving financially troubled companies in which the Fund invests, there is a potential risk of loss by the Fund of a significant portion of its investment in such companies.

Risks Associated with Investments in Distressed Securities. The Fund invests in “below investment grade” securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Some of these securities may not be publicly traded, and it therefore may be difficult to obtain information as to the true condition of such issuers. Additionally, in certain periods, there may be little or no liquidity in markets for these securities. Such investments also may be affected adversely by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies’ securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Fund’s investment in any instrument, and a significant portion of the Fund’s investments may be less than investment grade. Any one or all of the issuers of the securities in which the Fund invests may be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high. In any reorganization or liquidation proceeding relating to a company in which the Fund invests, the Fund may lose its entire investment, may be required to accept cash or securities with a value less than the Fund’s original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Fund’s investments may not compensate the Fund’s investors adequately for the risks assumed. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect to which such distribution was made. In certain transactions, the Fund may not be “hedged” against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated. Troubled companies and other asset-based investments also require active monitoring and may, at times, require our participation in business strategy or reorganization proceedings. To the extent that we are involved in such proceedings, the Fund will have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by the Fund in an issuer’s reorganization proceedings could result in the imposition of restrictions limiting the Fund’s ability to liquidate its position in the issuer.

Net Cash. The Fund may hold a significant portion of its portfolio in cash and cash equivalents. This may result in the Fund’s investment results underperforming market indices, or a portfolio which is 100% invested without any net cash holdings.

Highly Volatile Markets. The prices of financial instruments in which the Fund invests can be highly volatile. Price movements of forward and other derivative contracts in which the Fund’s assets are invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and

international political and economic events and policies. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

High Risk Investments. While investments in companies in certain industries offer the opportunity for significant capital gains, such investments involve a high degree of business, financial, technological and regulatory risk, which can result in substantial losses. Moreover, the Fund's portfolio includes investments particularly subject to increased risk because they are in companies at an early stage of development, which have been or may go into bankruptcy, acquired as leverage buyouts subject to interest rate fluctuations, or engaged in highly competitive industries dominated by companies with substantially greater resources. As a result, the Fund may experience substantial volatility and potential for loss. We believe that our investment program and research techniques moderate this risk through a careful selection of securities and other financial instruments. However, no guarantee or representation is made that the program will be successful.

Unidentified Investments; Competitive Market for Investments. We may be very selective when seeking investments. The business of identifying and structuring certain transactions is competitive (and may become more competitive in the future), and involves a high degree of uncertainty. There can be no assurance that we will be able to locate and complete attractive investments or that we will be able to adhere to the investment strategy outlined herein. Furthermore, there can be no assurance that we will be able to invest the entire amount of the Fund's assets or that suitable investment opportunities will otherwise be identified. If we are unable to identify adequate investments at any given time, a significant portion of the Fund's assets may be held in cash or equivalents, which produce low rates of return.

Hedging Transactions. We are not required to attempt to hedge portfolio positions in the Fund and, for various reasons, may determine not to do so. Furthermore, we may not anticipate a particular risk so as to hedge against it. The Fund utilizes financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates, (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio, (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets, (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date, or (vii) for any other reason that we deem appropriate. The success of the Fund's hedging strategy is subject to our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy is also subject to our ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. For a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

Derivatives and Hedging. The Fund invests and trades in a variety of derivative instruments, both to hedge the Fund's portfolio and for profit. Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. The Fund's ability

to profit or avoid risk through investment or trading in derivatives will depend on our ability to anticipate changes in the underlying assets, reference rates or indices.

Brokerage Commissions/Transaction Costs. During some periods, the Fund's activities may involve a high level of trading, and the turnover of its portfolio may generate substantial transaction costs. These costs are borne by the Fund regardless of its profitability.

Short Selling. Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Fund engages in short sales depends upon our investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Limited Diversification. At any given time, it is possible that we may select investments that are concentrated in a limited number or types of investments. This limited diversity could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

Non-U.S. Securities. Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the U.S. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the U.S. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The Fund might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Fund's performance.

Emerging Markets. In addition to the risks associated with investments outside of the U.S., investments in emerging markets (i.e., the developing countries) may involve additional risks. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official

data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported. The issuers of some of non-U.S. securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. Custodial expenses for a portfolio of emerging markets securities generally are higher than for a portfolio of securities of issuers based in developed countries. Many of the laws that govern private and foreign investments, securities transactions, creditors' rights and other contractual relationships in non-U.S. countries, particularly in developing countries, are new and largely untested. As a result, the Fund is subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations. Regulatory controls and corporate governance of companies in developing countries may confer little protection for investors. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty is also limited when compared to such concepts in developed country markets. In certain instances, management may take significant actions without the consent of investors. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. Furthermore, it may be difficult to obtain and enforce a judgment in certain non-U.S. countries in which assets of the Fund are invested.

Currency. The Fund invests a portion of its assets in instruments denominated in currencies other than the U.S. dollar, the price of which is determined with reference to currencies other than the U.S. dollar. Client accounts will, however, be valued in U.S. dollars. To the extent unhedged, the value of the assets will fluctuate with U.S. dollar exchange rates as well as the price changes of investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies will reduce, all other economic factors being constant, the effect of increases and magnify the effect of decreases in the prices of the account's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on non-U.S. dollar securities. To the extent permitted, the Fund also may, but does not expect to regularly do so, utilize options and forward contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Illiquid Investments. The Fund invests in securities and other assets, which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and the Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. An investment in the Fund is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

Information Sources. We select investments for the Fund based in part on information and data that the issuers of such securities file with various government agencies or make directly available to us or that we obtain from other sources. We are not in a position to confirm the completeness, genuineness or accuracy

of such information and data, and in some cases, complete and accurate information is not readily available.

Stock Index Futures. Using stock index futures for hedging involves several risks. Price movement in the stock index and price movements in the securities that are the subject of the hedge do not always correlate. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and there is no secondary market for those contracts. In addition, there may be no active market for the contracts at any particular time. Some exchanges do not permit trading in particular contracts at prices that fluctuate more than a set limit in any day. If prices fluctuate during a single day beyond those limits, the Fund may not be able to liquidate unfavorable positions promptly and may lose money.

Counterparty Risk. Some of the markets in which the Fund effects its transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund has no internal credit function that evaluates the creditworthiness of their counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

No Control Over Portfolio Issuers. The Fund acquires substantial positions in the securities of particular companies. Nevertheless, the Fund is unlikely to be represented on the board of directors or share any control over the management of any such company. The success of each investment depends on the ability and success of the management of that company, in addition to economic and market factors.

Force Majeure. The Fund’s investments may be affected by force majeure events (*i.e.*, events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including the Fund or a counterparty to the Fund) to perform its obligations until it is able to remedy the force majeure event and/or prompt precautionary government-imposed closures of certain travel and business. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the Fund’s returns, cause personal injury or loss of life, disrupt global markets, damage property, or instigate disruptions of service. In addition, the cost to the Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on the Fund’s expected returns. Certain force majeure events (such as war, terrorism, or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Fund may invest and the

markets the Fund may trade specifically. Military action or governmental sanctions prompted by certain force majeure events may further impact general economic conditions and market liquidity internationally or in the specific markets the Fund invests. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over industry assets, could result in losses to the Fund, including if its investments are canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Fund and its investments.

Cybersecurity Risk. As part of our business, we process, store, and transmit large amounts of electronic information, including information relating to the transactions of the Fund and personally identifiable information of investors. Similarly, our service providers and service providers of the Fund, especially the Administrator, may process, store and transmit such information. We have procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided to us by third parties may be susceptible to compromise, leading to a breach of our network. Our systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of our information systems may cause information relating to the transactions of the Fund and personally identifiable information of investors to be lost or improperly accessed, used, or disclosed.

Our service providers and the service providers of the Fund are subject to the same electronic information security threats as we are. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund and personally identifiable information of investors may be lost or improperly accessed, used, or disclosed.

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

Potential Conflicts of Interest

We will use our best efforts in connection with the purposes and objectives of the Fund and will devote as much of our time and effort to the affairs of the Fund as we deem necessary and appropriate to accomplish the purposes of the Fund. Under the terms of the Governing Documents, we and our directors, members, partners, shareholders, officers, employees, agents and affiliates (the "Affiliated Parties") may conduct any other business, including any business within the securities industry, whether or not such business is in competition with the Fund. Without limiting the generality of the foregoing, the Affiliated Parties may act as investment adviser or investment manager for others, may manage funds, separate accounts or capital for others and serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. In this regard, we may in the future act as the investment manager to other investment funds and investment accounts, including offshore investment funds and other U.S. investment partnerships. Such other entities or accounts may have investment objectives or may implement investment strategies similar or different to those of the Fund. In addition, the Affiliated Parties may, through other investments, including other investment funds,

have interests in investments in which the Fund invests as well as interests in investments in which the Fund does not invest. As a result of the foregoing, the Affiliated Parties may have conflicts of interest in allocating their time and activity between the Fund and other entities, in allocating investments among the Fund and other entities and in effecting transactions for the Fund and other entities, including ones in which the Affiliated Parties may have a greater financial interest.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

As noted above, the Union Square Park GP serves as the general partner to the Fund.

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

We have adopted a Code of Ethics, which is designed to help ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, our Code of Ethics sets forth standards of conduct for our employees to ensure that they conduct their business on our behalf in a manner that enables us to fulfill our fiduciary duty to our clients.

Among other things, our Code of Ethics: (i) governs personal trading by our employees, (ii) contains our policies with respect to gifts and entertainment, (iii) contains our policies regarding certain outside activities of our employees, (iv) sets forth our policies and procedures relating to insider trading, and (v) sets forth the manner in which employees may report violations of law or our policies and procedures. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Personal Trading Policy

Employees are required to obtain the written consent of our Chief Compliance Officer (the "CCO") prior to engaging in most personal transactions. Additionally, employees are required to provide our CCO with periodic reporting relating to their trading activity and personal accounts. Our policies relating to personal trading also generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

Participation or Interest in Client Transactions

We make available to qualified prospective investors the opportunity to invest in the Fund. Our Managing Member has significant personal investments in the Fund. In addition, the Union Square Park GP, our affiliate, is entitled to receive performance-based allocations from the Fund.

From time to time, our employees (including our Managing Member) are expected to purchase securities that are held by, or intended to be purchased by, our clients. A conflict of interest exists in such cases because such persons have the ability to trade ahead of our clients and potentially receive more favorable prices than our clients. Further, when one of our employees participates in an investment opportunity that has limited availability, it is possible that our clients would receive less than their intended allocation

of such investment. To mitigate these conflicts of interest, an employee may not purchase a reportable security (as described in our Code of Ethics) that is held by, or intended to be purchased by, a client unless we have determined that such purchase would not be adverse to the best interests of our clients. Further, our Code of Ethics contains additional processes relating to such transactions, including with respect to the timing of the purchases of such securities by our employees.

We will not engage in any principal transaction unless we have determined that the transaction is in the relevant clients' best interests and have obtained client consent in accordance with our written procedures and applicable law.

Item 12. Brokerage Practices

Selection of Brokers

We have an obligation to seek to obtain "best execution" for the Fund with respect to its trading activity. While not defined by statute or regulation, best execution generally means the execution of client trades at the best net price considering all relevant circumstances. We seek best execution with respect to all types of Fund transactions, taking into account various factors. Such factors include, among others: price, quality of execution, expertise in particular markets, the ability of a broker to effect the transactions, the broker's facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by the Fund and certain brokerage or research services provided by such brokers and clearing and settlement capabilities, and other services). In selecting brokers to execute transactions (or series of transactions) and determining the reasonableness of the brokers' compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less than the suggested allocations but can (and often does) exceed the suggestions, because total brokerage is allocated based on all the considerations described above.

We have established a Brokerage Committee, which meets on a quarterly basis to evaluate, among other things, the execution that we are receiving from brokers. In conducting its analysis, the committee may consider the factors listed above, among others, and will review gifts and entertainment received, and any known conflicts of interests (e.g., directing commissions to a broker that employs a family member of one of our employees).

Research and Other Soft Dollar Benefits

We do not currently have any formal soft dollar arrangements, but we may enter into such arrangements in the future. Nonetheless, we execute transactions on behalf of our clients with brokers that provide us with access to bundled services, including access to proprietary research reports (such as standard investment research and credit reports) and invitations to attend conferences. To our knowledge, these services are generally made available to all institutional investors doing business with such brokers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by clients or the volume of business that we direct to such brokers. If we engage in soft dollar transactions in the future, we intend to comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

During our last fiscal year, we acquired research (such as proprietary research from brokers) with client brokerage commissions (or markups or markdowns).

Brokerage for Client Referrals

Subject to applicable law, we direct client brokerage business to brokers that refer prospective investors to us. Because such referrals, if any, are likely to benefit us but may not provide a benefit to our clients, we would have a conflict of interest with our clients when allocating brokerage business to such brokers. To mitigate this potential conflict, we will not allocate brokerage business to a referring broker unless we determine that such allocation is consistent with our best execution duties.

Trade Errors

We may on occasion experience errors with respect to trades made on behalf of client accounts. We will reimburse each client account for net losses resulting from trade errors to the extent that it is required to do so under the terms of the exculpation provision in such client's Governing Documents.

Aggregation of Orders

We will not aggregate trades while the Fund is our only client. To the extent that we advise additional client accounts in the future, we expect that we would aggregate orders for our client accounts. We will do so in a fair and equitable manner, with transactions costs shared *pro rata* based on each client's participation in the transaction.

Item 13. Review of Accounts

Review of Accounts

The Fund's portfolio is reviewed, and its performance analyzed, by our Managing Member on a regular basis. In addition, our Managing Member and our CCO regularly review the Fund's portfolio to confirm that the securities it holds remain consistent with its investment strategies, objectives and guidelines.

Reporting

We furnish investors in the Fund with periodic written unaudited performance reports as set forth in the Fund's Governing Documents. In addition, on an annual basis, we provide investors with a copy of the Fund's annual audited financial statements and a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, we may provide certain investors (including our strategic investor) with access to more frequent and/or more detailed information regarding the Fund's securities positions, performance, finances, and management and/or other information about the Fund or us (including notifications of redemptions from a Fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Fund.

In addition, investors and prospective clients and investors are provided with certain information about us and the Fund in response to questions and requests. This information may not be distributed to other investors or prospective clients or investors. Each client and investor is responsible for asking such

questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

Item 14. Client Referrals and Other Compensation

Other than the products and services that we receive from broker-dealers (described above in *Item 12*), we do not receive any economic benefits from third parties in connection with the provision of investment advice to the Fund.

We do not compensate any third-party marketers for introductions to potential investors or clients.

Item 15. Custody

For purposes of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the “Custody Rule”), we are deemed to have custody over the Fund’s assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Fund or its investors as long as: (i) the Fund is audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Fund’s audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) we deliver such annual audited financial statements to investors within 120 days after the end of the Fund’s fiscal year.

Item 16. Investment Discretion

We have discretionary authority to manage securities and other investments on behalf of the Fund. The investors in the Fund generally are not able to place any limits on our authority beyond the limitations set forth in the Fund’s Governing Documents. Under certain circumstances, we may contract with SMA clients to adhere to limited risk and/or operating guidelines imposed by such clients. We would negotiate such arrangements on a case-by-case basis.

Item 17. Voting Client Securities

We generally have voting discretion over client securities. Clients are generally not able to direct their votes in a particular situation. Our proxy voting policies and procedures are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, we will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, we may determine to abstain from voting a proxy if we believe that such action is in the best interests of a particular client. We may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer’s views and recommendations on such proposal, (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders’ concerns (e.g., instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure), and (iii) whether we believe that the proposal will fairly compensate management for its and/or the issuer’s performance. If we deem that the issue being voted upon is not material for us and our clients or we determine that the cost of voting a proxy would exceed the expected benefit to our clients, we will not be obligated to vote on such matter.

Upon the request by a client, we will disclose to such client how we voted proxies for securities owned by such client. We will also provide a copy of our proxy voting policies and procedures to clients upon request.

Item 18. Financial Information

We are not required to include our balance sheet for our most recent fiscal year with this Brochure.

Item 19. Requirements for State-Registered Advisers

We are not a state-registered adviser.