



## **FORM ADV PART 2A: FIRM BROCHURE**

### **Item 1 – Cover Page**

**March 2024**

EVR RESEARCH, LP

411 Libbie Avenue

Suite 3

Richmond, VA 23226

Phone: 804.451.6810

Fax: 804.451.6809

This “Brochure” provides information about the qualifications and business practices of EVR Research, LP (hereinafter “EVR,” “we,” “us,” “our,” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“CCO”), Charles Portz, by email at [legal@evrresearch.com](mailto:legal@evrresearch.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.

EVR is a Registered Investment Adviser with the SEC. Registration as an investment adviser with the SEC or any state securities authority does not imply that EVR or any of its principals or employees possesses a certain level of skill or training in the investment advisory business or any other business.

Additional information about EVR is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

This Brochure is EVR’s annual update to our Form ADV Part 2A. This brochure contains updated Regulatory Assets Under Management (“RAUM”) as of December 31<sup>st</sup>, 2023. There were no material changes from the prior filing.

**Item 3 – Table of Contents**

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	5
Item 6 – Performance-Based Fees and Side-By-Side Management .....	7
Item 7 – Types of Clients .....	7
Item 8 – Method of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 – Disciplinary Information .....	13
Item 10 – Other Financial Industry Activities and Affiliations .....	13
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	13
Item 12 – Brokerage Practices .....	14
Item 13 – Review of Accounts.....	17
Item 14 – Client Referrals and Other Compensation.....	17
Item 15 – Custody .....	17
Item 16 – Investment Discretion .....	17
Item 17 – Voting Client Securities.....	18
Item 18 – Financial Information.....	18

**Item 4 – Advisory Business**

EVR Research, LP (hereinafter “**EVR**,” “**we**,” “**us**,” “**our**” or the “**Adviser**”), a Delaware limited partnership formed on June 30, 2015, is an investment adviser with its principal place of business in Richmond, Virginia.

EVR Research GP, LLC, a Delaware limited liability company, serves as the general partner of the Adviser (the “**ManCo General Partner**”). The Adviser and ManCo General Partner are each principally owned by Benjamin Wolf Joffe (the “**Principal**”).

EVR provides investment advisory services focused on managing a long and short portfolio primarily in equity and equity-related instruments. Our advice to the Funds (as defined below) is based on the investment objectives and restrictions, if any, set forth in the applicable offering memorandum, organization documents, limited partnership agreement, investment management agreement, and/or subscription agreements, as the case may be (each a “**Governing Document**” and collectively, the “**Governing Documents**”). We do not tailor advisory services to Investors’ (as defined below) individual needs, and Investors may not impose restrictions on investing in certain securities or certain types of securities. *Please see Item 8 – Method of Analysis, Investment Strategies and Risk of Loss for a further description of EVR’s investment objectives, strategies and associated risks.*

EVR serves as the investment manager to three private, pooled investment vehicles. The Funds employ a long/short strategy and together form a single master-feeder structure. The Funds’ investment objective is to earn a superior, long-term absolute return by investing primarily in U.S. listed equities using both long and short positions.

The Funds managed by EVR are as follows:

<u>EVR Master Fund, LP</u> (the “ <b>Master Fund</b> ”)	<u>EVR Opportunity Fund, LP</u> (the “ <b>Onshore Feeder Fund</b> ”)	<u>EVR Offshore Partners Fund, LTD</u> (the “ <b>Offshore Feeder Fund</b> ”)
Launch Date: December 1, 2018	Launch Date: July 1, 2016	Launch Date: July 1, 2021
Offshore 3(c)7	Domestic 3(c)7	Offshore 3(c)7
Cayman Islands	Delaware	Cayman Islands
Dec 31 <sup>st</sup> Year-End	Dec 31 <sup>st</sup> Year-End	Dec 31 <sup>st</sup> Year-End

The Onshore Feeder Fund and the Offshore Feeder Fund are collectively referred to as the “**Feeder Funds**.”

The Master Fund, the Onshore Feeder Fund, and the Offshore Feeder Fund are herein each referred to as a “**Fund**” or “**Client**,” and collectively referred to as the “**Funds**” or the “**Clients**.”

The Onshore Feeder Fund’s “**Limited Partners**” and the Offshore Feeder Fund’s “**Shareholders**” are hereafter collectively referred to as the “**Investors**” where appropriate.

Investors may subscribe for either limited partnership interests of the Onshore Feeder Fund or Master Fund (an “**LP Interest**”) or for shares of the Offshore Feeder Fund (“**Shares**” and collectively with LP Interest, “**Interest**”).

As of December 31, 2023, EVR has \$732,815,421 total gross assets under management on a discretionary basis. EVR does not have any assets under management on a non-discretionary basis.

## Item 5 – Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in each Fund's corresponding Governing Documents. A brief summary of such fees is provided below.

### Asset-Based Compensation

EVR is paid an investment management fee ("**Management Fee**") between 1.0% to 1.5% per annum based on the net assets of the Funds. The Management Fee is charged each quarter, in advance, based on the Funds' net asset value (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the first day of the quarter. If an Investor subscribes for an Interest in a Fund during a quarter, the Management Fee is charged as of the effective date of the subscription and is prorated for the number of months remaining in the quarter.

Investment management fees are deducted and paid to EVR or our affiliates from the assets of the relevant Fund account.

An Investor may obtain a refund of a pre-paid fee if the Investor redeems Interests from their account before the end of a billing period. The amount refunded will be determined on a pro-rata basis calculated based on the number of months remaining in the quarter.

Generally speaking, fees paid to EVR are not negotiable. However, EVR has the right to reduce, waive, assign, grant participation in or otherwise share the management fee with respect to any Investor without the consent of or notice to any other Investor.

### Performance-Based Compensation

An affiliate of EVR may be paid performance-based compensation, which is compensation that is based on a share of the realized and/or unrealized net profits and/or capital appreciation of the assets of a Fund.

The performance-based compensation for the Funds is between 15% and 20% of each Investor's net profits.

For purposes of calculating eligible net profits, Investors who hold Founder's Class Interests shall include a 4% non-cumulative, non-compounding annual return hurdle (the "**Hard Hurdle**") based on the value of the Investor's account balance as of the first day of a fiscal year, as adjusted for additional subscriptions and withdrawals.

Performance-based compensation is subject to loss carryforward provisions, which reduce such percentage to 0% until certain loss recovery thresholds are met.

Investors who subscribed for Founder's Class Interests are entitled to receive a portion of the performance-based compensation earned on Fund assets up to \$300 million which will generally be treated as a reduction to the performance-based compensation charged to their account. The Governing Documents provide the definitive terms of such compensation.

Generally speaking, performance-based compensation is not negotiable. However, EVR and/or our affiliates has the right to reduce, waive, assign, grant participation in or otherwise share the performance-based compensation with respect to any Investor without the consent or notice to any other Investor.

### Other Types of Fees or Expenses

EVR is authorized to incur and pay in the name and on behalf of the Funds all expenses which we deem necessary or advisable. We are entitled under the Governing Documents to be reimbursed for some or all expenses that we or our related persons incur on behalf of the Funds.

The Funds incur expenses in connection with, among other things, brokerage services discussed in Item 12 – Brokerage Practices; fund administration, legal, accounting, auditing and other professional expenses; organizational expenses; research expenses; custodial fees; regulatory filing fees; insurance expenses; and other reasonable expenses related to the purchase, sale, or transmittal of the Funds' assets.

In some instances, expenses are shared between us and the Funds (e.g., D&O insurance). The allocation of shared expenses between us and the Funds creates a conflict of interest. As such, we have adopted an expense allocation policy that is designed to address this conflict. The theme of our policy is to create an equitable and fair distribution of shared expenses that are in-line with industry norms.

To the extent expenses relate to a specific Fund, the expense is borne entirely by the specific Fund. In the case of expenses which relate to more than one Fund, each Fund bears a percentage of the expense that is fair and equitable, typically a pro-rata allocation calculated using each Fund's net assets at the time the expense is incurred.

#### Organization Expenses

The Feeder Funds will bear all of their organization expenses and offering expenses and will each bear a pro-rata share of the organization and offering expenses of the Master Fund (as calculated on a monthly basis by each Fund's ownership percentage of the Master Fund), and will reimburse the General Partner and/or EVR, as applicable, to the extent that either of them bears organization or offering expenses on behalf of the Funds.

#### Operating Expenses

The Feeder Funds bear all of their expenses relating to their ongoing structure and operation, including, without limitation, all costs and expenses relating to the Feeder Funds' (and the Feeder Funds' pro-rata share of the Master Fund's) activities and operations, including, without limitation, all fees, costs and expenses associated (directly or indirectly) with the negotiation, financing, sourcing, acquiring, holding, monitoring, hedging, settling and disposing of investments or proposed investments; other transaction costs, including without limitation, transaction fees, custodial fees, brokerage fees, commissions, consulting advisory, due diligence, investment banking, legal, financial, auditing, accounting, research, third-party consulting and other professional fees and expenses related to investments and proposed investments; all investment-related travel expenses and travel expense related to the purchase, sale or transmittal of Feeder Funds and/or Master Fund assets; all entity level taxes, fees and other governmental charges (including any withholding not due to the status or non-compliance by any particular Investor); the costs of any insurance (including without limitation, general partner liability insurance, errors and omissions insurance, directors and officers insurance, if any, and other insurance policies with respect to the Funds' business and affairs); directors' fees; expenses incurred in the collection of monies owed to the Funds; Management Fees; expenses related to mixed-use hardware and software and other technology and services; legal, regulatory, compliance, auditing, research and accounting fees and expenses (including without limitation, fees and expenses of any administrator of the Funds (including the Administrator, as defined within the Governing Documents)); expenses associated with the preparation and delivery of financial statements and tax returns, if any; extraordinary expense (including, without limitation, litigation related and indemnification expenses, whether payable in connection with a proceeding involving the Funds or otherwise, and including the amount of any judgment or settlement paid in connection therewith); the costs of any reporting to Investors; reasonable expenses incurred in connection with any meetings of Investors and reasonable expenses of the members and meetings of any committee of the Funds; any "broken deal" or failed transaction expenses; expenses incurred in connection with the dissolution, liquidation and termination of the Funds; and expenses incurred in connection with the preparation of amendments to the Offering Documents.

EVR and our affiliates have and may in the future enter into agreements, or "side letters", with certain prospective or existing investors in the Funds whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the Governing Documents. Such terms and conditions may provide for special rights to make future investments; special redemptions rights, relating to frequency or notice; a waiver or rebate in

fees or redemption penalties to be paid by the investor and/or other terms; rights to receive reports on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by EVR and such investor. The modifications are solely at the discretion of EVR.

Neither the Adviser nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

EVR and/or our affiliates are entitled to be paid performance-based compensation by the Funds. Executive officers and senior investment professionals are compensated on a basis that includes a performance-based component. While certain Investor accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts, investment opportunities are allocated using a master-feeder structure. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser or affiliate accepts performance fees from some clients, but not from others.

In the event that EVR manages accounts from which performance-based compensation is collected and also manages at the same time an account from which performance-based compensation is not collected, we have an incentive to favor accounts from which performance-based compensation is collected because greater profits will be received from the accounts that are charged performance-based compensation. To mitigate the risk of favoring certain clients over others, we have implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts and the allocation of investment opportunities. Generally, these policies and procedures require investment opportunities to be allocated on a pari-passu basis, but our policies and procedures allow for deviations in certain circumstances, in which case the decision to deviate will be documented.

The performance-based compensation paid by the Funds is variable and cannot be determined in advance. Depending upon the Funds' total rate of returns which includes both realized and unrealized gains and losses, the performance-based compensation may be substantial and EVR or our affiliates may receive compensation reflecting unrealized gains at the end of a year that are not subsequently recognized by the Funds. Therefore, we may have incentive to employ more speculative trading strategies in an effort to maximize the Funds' returns. The Adviser is involved with the valuation of securities, including any private or illiquid securities held by the Funds, which in turn are used to determine the calculation of the performance-based compensation payable to EVR and/or our affiliates. This creates an incentive for us to increase the value of the assets during the valuation process. We have addressed this conflict of interest by adopting certain policies and procedures dealing with valuation of assets which includes using readily available market quotations and other commonly used and recognized valuation methods compliant with United States Generally Accepted Accounting Principles ("**US GAAP**"). We have also engaged an independent administrator to maintain the Funds' official books and records including obtaining sufficient evidence of asset prices. In addition, the Funds are subject to an annual audit conducted in accordance with United States Generally Accepted Auditing Standards ("**US GAAS**").

#### **Item 7 – Types of Clients**

As noted in Item 4 – Advisory Business, EVR provides investment advisory services to the Funds, which are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, and other sophisticated investors.

The minimum initial subscription for Interests in a Fund is \$500,000. However, the Fund General Partner and/or Adviser, may accept subscriptions in lesser amounts and may increase or decrease such minimum subscription amounts without prior notice to or consent from any Investor.

Details concerning applicable investor suitability criteria are set forth in each Fund's respective Governing Documents.

## **Item 8 – Method of Analysis, Investment Strategies and Risk of Loss**

### ***Investment Objective***

EVR's investment objective is to earn superior, long-term absolute returns by investing primarily in U.S. equities using both long and short positions. To achieve this, EVR invests in a concentrated portfolio of U.S. public equities for which market expectations (as communicated by a company's valuation) have become disconnected from reality (based on EVR's research), and for which EVR believes there exists a "moment of truth" on the horizon to help close the gap between expectations and reality.

### ***Investment Strategy***

Our investment strategy searches for investments across various sectors of the economy, while seeking to avoid exposure to unjustifiable or difficult-to-quantify risks, which can sometimes include movements in commodity prices, interest rates, and currency exchange rates. EVR seeks investments in companies whose valuations:

- Suggest a growth rate in profitability that is vastly different from the realistic growth rate implied by EVR's research;
- Do not reflect balance sheet optimization efforts that EVR believes will likely improve returns on capital and drive higher levels of per share profitability; or
- Do not reflect balance sheet deterioration that EVR believes will likely prevent expected levels of profitability from being achieved.

EVR believes that the proper execution of its research process is its best risk management tool. This process involves initial and ongoing analysis through which EVR's team consistently challenges the investment thesis with respect to each security. EVR's research process primarily entails: 1) an application of the Business Evaluation Framework ("BEF"); 2) utilization of the Safety-Minded Valuation Framework ("SMVF"); and 3) researching Key Investment Factors ("KIFs").

### **Business Evaluation Framework**

Addressing this framework involves a review of a company's recent annual SEC filings, press releases, and conference call transcripts and may also include either a phone conversation and/or an in-person meeting with company management. This research ultimately provides a picture of a company's products & services, revenue drivers, value proposition, history, industry map, competitive landscape, competitive advantages and management incentives.

### **Safety-Minded Valuation Framework**

This framework incorporates a company's return on invested capital (ROIC), its base of invested capital and its Earnings Power. A proprietary database serves as the foundation of EVR's Safety-Minded Valuation Framework. This analysis enables EVR to establish price targets for its investments that align with EVR's view of the sustainability of a company's ROIC and profit growth profiles. This framework also helps determine whether a company's assets are appropriately understood or perhaps represent "hidden" value.

Addressing this framework involves an exercise in financial statement analysis, and provides insights into earnings quality, returns on invested capital, capital allocation decisions, and balance sheet evolution and health.



Researching Key Investment Factors

Evaluating companies using the aforementioned frameworks informs EVR of a potential investment's Key Investment Factors. In our view, these Factors are the variables upon which unexpected performance is dependent. Gaining a superior analytical and/or informational understanding of the Key Investment Factors for a potential investment serves as the basis for achieving high investment conviction and creating a concentrated portfolio.

Undertaking intensive, creative and unconventional approaches to gain such an understanding can involve two types of exploratory analysis:

- (1) – Data Analysis – develop, if possible, a unique view of relevant data (market size, pricing spectrums, industry data and financial disclosures)
- (2) – Speaking with Experience – develop supporting and/or non-supporting evidence related to the Key Investment Factors by speaking with present and past industry participants (suppliers, customers, competitors, past/present company employees)

***Material Risks Relating to the Investment Strategy****General Investment and Trading Risks*

Investing in securities involves risk of loss that Investors should be prepared to bear, and an investment with EVR involves substantial risks that should be considered carefully. Certain risk factors that may be considered applicable to an investment with us are outlined below. Additional risk factors are outlined in the Governing Documents. It should be noted, however, that there may be other risk factors applicable to such an investment that are not identified but that might still result in material losses to Investors. Although EVR attempts to manage these risks through careful research and ongoing monitoring of investments, there can be no assurance that the securities and other investments purchased will increase in value or that Funds will not incur significant losses. Prospective investors should also consult their own legal, investment, tax and other advisers, and the Governing Documents, as to whether an investment with EVR is appropriate for them.

*Investment Judgment*

The profitability of a significant portion of EVR's investment program depends to a great extent upon correctly assessing the future price movements of a company's securities. There can be no assurance that we will be able to accurately predict the long-term results of any security or other investment.

*Concentration of Investments; Limited Diversification and Sector Investing*

Because EVR has broad investment discretion, the Master Fund typically holds a limited number of positions (both long and short) at any given time. As a result of the possible lack of diversification, a significant loss in any one position may have a material adverse effect on the net asset value of the Funds' rate of returns. Diversification of assets among different industries is not a primary goal of EVR's investment strategy. Therefore, any fluctuation in the overall value of securities in specific industrial or consumer sectors likely will have a material effect on the Funds' performance. EVR's specialized investment strategy and lack of diversification may be more vulnerable to changes in the economy or those industries or other factors than a broad-based portfolio, and, as a result, performance results may be highly volatile and may result in the Funds significantly outperforming, or under-performing, the market as a whole.

*Equity Securities*

We invest the Master Fund's assets primarily in equity and equity-related securities, including, without limitation, equity investments acquired in connection with restructured debt securities or instruments, or in connection with reorganizations and/or restructurings of debt securities, equity securities or other obligations and assets of undervalued, operationally challenged and/or financially troubled companies or institutions. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments.

*Securities of Sub-Investment Grade Companies*

Special risks may arise if the Master Fund invests in the securities of sub-investment grade and highly leveraged companies. Although such investments may result in significant returns to the Funds, they involve a substantial degree of risk. If the "natural leverage" created by a company's high level of borrowing should work against a short position, the losses experienced by the Funds would be heightened. In any reorganization or liquidation proceeding relating to a company in which the Funds invest, the Funds may lose their entire investment. Under such circumstances, the returns generated from the Master Fund's investments may not compensate Investors adequately for the risks assumed.

*Special Situation Investments*

The Funds have and the Master Fund may in the future invest in companies involved in, or the target of, acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction 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 Master Fund's 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 Master Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of the transactions involving financially troubled companies in which the Master Fund may invest, there is a potential risk of loss of the entire investment made by the Master Fund in such companies.

*Short Sales*

We engage in short selling through the Master Fund's accounts. Short selling involves selling securities that may or may not be owned by the seller, and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. A short sale of equity securities involves the theoretical risk of an unlimited increase in the market price of the securities sold short. Additionally, short selling is limited to securities that can be borrowed, and the Master Fund may be required to cover short positions at an undesirable time and at undesirable prices if the lender recalls the securities or the securities can no longer be borrowed. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Master Fund's portfolio. 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. If a securities lender requires the Master Fund to return borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Master Fund may be compelled to return borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

*Leverage*

While not an active component of EVR's investment strategy, we are allowed and in certain cases will utilize leverage in connection with our investment strategies. When utilized, such leverage is in the form of margin borrowing from securities brokers and dealers. The use of leverage increases both the possibility for gain and the risk of loss. Leverage typically will be secured by the Funds' securities and other assets held at the brokers. Under certain circumstances,

a lender may demand an increase in the collateral that secures such obligations, and if the Funds are unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy such obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the use of leverage may cause a U.S. tax-exempt investor to realize unrelated business taxable income (“UBTI”).

#### *Stock Market Volatility*

Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole.

#### *Small and Medium Capitalization Companies*

The Master Fund generally invests in the equity of companies with small to medium-sized market capitalizations where such companies meet the investment criteria of EVR’s investment strategy. While EVR believes such companies may provide significant potential for appreciation, such investments also involve higher risks in some respects than investments in securities of larger companies. For example, prices of such stocks are often more volatile than prices of large market capitalization companies. Additionally, certain small capitalization companies may be thinly traded relative to larger capitalization companies and therefore an investment in these securities may be more illiquid than that of larger capitalization companies.

#### *Non-U.S. Securities*

Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies involves certain considerations comprising both risks and opportunities not typically associated with investing in United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

#### *Options and Derivatives*

From time to time, EVR engages in the trading of options or other derivatives in the Master Fund’s accounts. Options and other derivative securities involve risks substantially similar to those involved in trading securities acquired on margin in that they are speculative and highly leveraged. For example, the low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage by the purchaser. As a result, a relatively small movement in the price of a contract may result in a gain or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited.

#### *Portfolio Turnover*

EVR’s investment program has and may in the future involve frequent trading of individual securities. Increased trading activity can result in higher investment costs and charges to the Funds as well as generate ordinary income or short-term capital gain treatment as opposed to long-term capital gain treatment for U.S. federal income tax purposes.

#### *Importance of the Adviser*

The authority to make decisions and to exercise business discretion on behalf of the Funds resides with the Adviser. The future success of the Funds is therefore expected to significantly depend on the expertise of certain key personnel of EVR. Therefore, the death, incapacity or withdrawal of such personnel could materially adversely affect the Funds.

*Risk Management Failures*

Although EVR 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 EVR, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of our Funds may be incomplete or altogether ineffective. Similarly, EVR 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.

*Counterparty and Custodial Risk*

To the extent EVR invests the Master Fund's assets in swaps, "synthetic" or derivatives instruments, repurchase agreements, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Master Fund takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, 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.

In addition, there are risks involved in dealing with the custodians or brokers who settle Master Fund trades, particularly with respect to non-U.S. investments. EVR typically maintains a custody account with the Master Fund's prime brokers and/or custodians (collectively, the "**Prime Brokers**"). Although the Adviser monitors the Prime Brokers and believes that each Prime Broker is an appropriate custodian, there is no guarantee that the Prime Brokers, or any other custodian that may be used from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, it is likely that, in the event of a failure of a broker-dealer that has custody of Master Fund assets, the Funds would incur losses due to their assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both. Further, it is possible that in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, the Fund may not receive the same securities that were held in its account. As a result, the Funds may incur losses.

*Cybersecurity Risk*

EVR's information and technology systems and those of key service providers and our Funds 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 of their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Although EVR 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 EVR 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 EVR or our Funds and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

*Systems and Operational Risk*

EVR relies on certain financial, accounting, data processing and other operational systems and services that it and/or third party service providers employ, including those of prime brokers, the third-party administrator, market counterparties and others. 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. For example, EVR and our Funds could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in Fund operations. Any

such errors and/or disruptions may lead to financial losses, the disruption of Fund trading activities, liability under applicable law, regulatory intervention or reputational damage.

#### *Health Crises and Other Catastrophic Occurrences*

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 operations of EVR. 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 raw materials, supplies and component parts, and reduced or disrupted operations for client portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of EVR 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.

#### *Master-Feeder Structure*

Both the Feeder Funds invest all or substantially all of their investable assets through a “master-feeder” structure in the Master Fund. Although a common investment fund structure, the “master-feeder” fund structure presents certain unique risks to Investors. For example, a smaller feeder fund investing in the Master Fund may be materially affected by the actions of a larger feeder fund investing in the Master Fund. If a larger feeder fund redeems from the Master Fund, the remaining feeder fund may experience higher pro-rata operating expenses, thereby producing lower returns. The Master Fund may become less diverse due to a redemption by a large feeder fund, resulting in increased portfolio risk. Expenses or liabilities of the Master Fund arising from any legal proceedings by or against the Master Fund would be borne by the Master Fund, and creditors of the Master Fund may enforce claims against all assets of the Master Fund.

***The foregoing risk factors are supplemented and qualified in their entirety by the risk factors section of the Governing Documents, which are provided to all prospective investors prior to investing.***

#### **Item 9 – Disciplinary Information**

The Adviser has no applicable disciplinary information to disclose.

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

Benjamin Wolf Joffe has control of both EVR and the Funds’ general partner so that all investment and other decisions regarding the Funds will be made by the same ultimate person. This arrangement is in line with the expectations of current and prospective investors in the Funds and is fully disclosed in the Funds’ organizational and offering documents. Neither the general partner nor EVR is requiring investors to waive the fiduciary duties each of them owe to the Funds. EVR therefore believes that Benjamin Wolf Joffe’s beneficial ownership of the Adviser and ultimate control of the General Partner does not create a material conflict of interest with clients.

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

EVR, its employees or a related entity (collectively “**Related Persons**”), have an investment in the Funds managed by EVR.

EVR has adopted a Code of Ethics (the “**Code**”) that establishes the standard of business conduct that all related persons of the Adviser must follow. The Code includes the following general principles which all related persons

have agreed to uphold: to put the interests of EVR's Funds before our own interests, to conduct our business in a manner consistent with the Code, to avoid taking any inappropriate advantage of one's position at EVR, to maintain confidentiality of all information concerning EVR's business, and to provide full, fair, and accurate disclosure required by auditors, regulators, or other government entities. The Code also provides guidelines for related persons regarding (i) preclearing and reporting of securities transactions, (ii) engaging in activities outside of EVR's business, (iii) documenting close personal or family relationships for purposes of insider trading compliance and vendor selection, and (iv) giving and receiving business related gifts and providing and receiving entertainment. All of EVR's personnel are also required to comply with applicable securities laws, and to report any violation or suspected violation of the Code to the Chief Compliance Officer.

Our related persons, in the course of their investment management and other activities (e.g., board service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which we, the Funds or our related persons have invested or seek to invest on behalf of clients. Our related persons are prohibited from improperly disclosing or using such information for their own benefit or for the benefit of any other person, regardless of whether such other person is a client. We maintain and enforce written policies and procedures that are designed (i) to prohibit the communication of such information to persons who do not have a legitimate need to know such information and (ii) to assure that we satisfy our obligations to clients and remains in compliance with applicable law. In certain circumstances, our related persons 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 our related persons will be prohibited from communicating such information to our client or using such information for our client's benefit. In such circumstances, we will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that we possess such information), or not using such information for our Client's benefit, as a result of following our policies and procedures designed to provide reasonable assurances that it is complying with applicable law or regulation.

We or our related persons, as principal, may buy securities from or sell securities to our clients. This practice could create a conflict of interest because we or our related person may have an incentive to buy securities from or sell securities to a Client based on our own financial interests, rather than solely the interests of such Client. EVR does not itself trade securities on a principal basis with Clients. To the extent that we and/or our related persons engage in principal securities transactions, any such transactions will comply with Section 206(3) of the Advisers Act.

EVR's personnel are permitted to engage in securities transactions for their personal securities accounts. Generally, personnel must receive pre-approval by the Chief Compliance Officer before transacting in any personal securities account.

When contemplating any exception to the Code, the Chief Compliance officer is required to place the interests of EVR's Clients before that of EVR's employees, affiliates and Principal.

#### **Item 12 – Brokerage Practices**

EVR retains full discretion to determine the broker or dealer to be used for each securities transaction for Fund accounts. We consider a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include the ability of the broker to provide liquidity, financial stability of the broker, the actual executed price of the security and the broker's commission rates, research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance our general portfolio management capabilities, the size and type of the transaction, the difficulty of execution and the ability to handle difficult trades, the operational facilities of the brokers and/or dealers involved (including back office efficiency), ability to maintain confidentiality, the ability to handle a block order for securities and distribution capabilities. In selecting a broker-

dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. Generally, it is not EVR's practice to negotiate "execution only" commission rates, and thus a Fund may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. We evaluate the appropriateness of brokerage commissions on an ongoing basis.

While we are entitled to receive research or other products or services other than execution from a broker-dealer and/or a third party in connection with client securities transactions, in practice, we do not participate in such transactions. These transactions are known as a "soft dollar" relationship. If we were to change our practice, the use of commissions arising from the Funds' investment transactions for services other than research and brokerage will be limited to services that would otherwise be a Fund expense. Research services that qualify for the safe harbor in Section 28(e) of the Securities Exchange Act of 1934 (the "**Exchange Act**") 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) of the Exchange Act 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.

As required by Section 28(e) of the Exchange Act, we would review and evaluate our soft dollar practices in order to determine, in good faith, whether, with respect to any research or other products or services received from a broker-dealer, that the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or EVR's overall responsibilities to the accounts or portfolios over which we exercise investment discretion.

Research and brokerage services obtained by the use of commissions arising from a Fund's portfolio transactions may be used by us in our other investment activities, including, for the benefit of other Fund accounts. We do not seek to allocate soft dollar benefits to accounts proportionately to the soft dollar credits the accounts generate. We may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on clients' interest in receiving the lowest trading commissions.

As a result of client brokerage commissions, we and/or our related persons may acquire research and brokerage related services. Such services may include, among other things, the provision of information on economic trends or conditions, political developments, industries, groups of securities, individual countries, and individual companies, as well as post-trade brokerage services or communication services related to the execution, clearing, and settlement of transactions.

EVR has entered into "client commission arrangements" pursuant to which we may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. A Fund may also pay for research services directly, rather than through commissions arising from such client's investment transactions.

In some instances, EVR obtains a product or service that is used, in part, by EVR for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, we will make a good faith effort to determine the relative



proportion of the product or service used to assist EVR in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on an evaluation of the research and non-research uses of the product. The proportion of the product or service attributable to assisting us in carrying out our investment decision-making responsibilities will be paid through brokerage commissions generated by Fund transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by EVR from its own resources. The determination of the appropriate allocation of “mixed use” products and services creates a potential conflict of interest between EVR and our Funds.

From time to time we may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to the Funds or recommend the Funds as an investment to their clients. We may place Fund portfolio transactions with firms which have made such recommendations or provided capital introduction opportunities, if we determine that it is otherwise consistent with seeking best execution. In no event will we select a broker-dealer as a means of remuneration for recommending EVR or any other vehicle managed or product offered by us (or an affiliate) or affording us with the opportunity to participate in capital introduction programs.

When consistent with market conditions, we may purchase or sell the same security for Funds contemporaneously and using the same executing broker. Such bunched or aggregated orders may enable us to obtain for clients a more favorable execution and reduced brokerage costs. When an aggregated order is filled completely, we allocate the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid holding odd lots or excessively small numbers of positions. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, our procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to clients. Depending on the investment strategy pursued and the type of security, this may not result in a pro rata allocation to all participating clients.

To the extent permitted by applicable law and the Governing Documents, we may effect “cross transactions” between us and/or our Fund accounts in which one client will purchase securities held by another client. The Adviser will direct clients to enter into such transactions only when the transactions are consistent with the best interests of both clients and at a price that we believe constitutes best execution for both clients. We do not receive any commission or commission equivalent in connection with these transactions.

If it appears that a trade error has occurred, we will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that a trade error occurs, our procedure is to ensure that clients are treated fairly. We have discretion to resolve a particular error in an appropriate manner that is consistent with the above stated policy. Notwithstanding the foregoing, any financial gains or losses resulting from trade errors are generally borne by the client and underlying Fund investors (as more fully described in the Governing Documents).

The Adviser does not currently participate in directed brokerage.

The Adviser has executed agreements with BTIG, LLC to serve as an Introducing Broker to the Master Fund and with Goldman, Sachs & Co. and Pershing, LLC to serve as Clearing Agents and Custodians to the Master Fund. We may add, replace or terminate these relationships at any time. Furthermore, we may enter into agreements with one or more executing Brokers on behalf of the Fund. A list of all brokers utilized by the Fund is available, upon written request, to Investors.



**Item 13 – Review of Accounts**

Benjamin Wolf Joffe in his capacity as Chief Investment Officer of the Adviser is responsible for monitoring and reviewing portfolio data on a continuous basis. Such matters reviewed include specific securities held, adherence to applicable investment guidelines, if any, and the performance of each client account.

SS&C Technologies, LLC serves as the independent third-party administrator (“**SS&C**” or the “**Administrator**”) of the Funds. SS&C records client transactions on a T+1 basis and reconciles the Master Fund’s books and records against the books and records of the Master Fund’s custodial accounts on a regularly recurring basis. EVR reconciles its internal books and records with the Master Fund’s custodial account on a daily basis. Any discrepancies are reviewed by the Chief Financial Officer and addressed immediately, if required. EVR reconciles its internal books and records with the Administrator on a monthly basis.

The Administrator provides investors in the Funds with written reports on a periodic basis that include, among other things, the net asset value or balance of the investor’s account. Generally, such reports are provided through a password protected website and in a manner pursuant to the terms of the Governing Documents. Additionally, investors receive the following regular communications unless otherwise noted:

- Monthly performance estimated generally by the 3<sup>rd</sup> business day of each month;
- Final monthly performance attribution and exposures generally by the 15<sup>th</sup> business day of each month;
- Investor letters provided throughout the year, generally subsequent to a quarter-end;
- Annual audited financial statements of the Fund within 120 days of the fiscal year-end; and
- Annual Schedule K-1s for taxable investors.

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

From time to time we participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to the Funds or recommend the Funds as an investment to their clients. We may place Fund portfolio transactions with firms which have made such recommendations or provided capital introduction opportunities, if we determine that it is otherwise consistent with seeking best execution. In no event will we select a broker-dealer as a means of remuneration for recommending EVR or any other vehicle managed or product offered by EVR (or an affiliate) or affording EVR with the opportunity to participate in capital introduction programs.

EVR does not currently use solicitors for Client referrals. The Funds do not currently engage placement agents for placement of interests in the Funds but may do so in the future.

**Item 15 – Custody**

The Adviser (through its affiliate that serves as general partner of the Fund) has custody of the Funds’ assets, which are generally held by an unaffiliated qualified custodian. Investors do not receive account statements from the custodian; rather, the Funds are subject to an annual audit, and audited financial statements are distributed to each Investor within required timeframes.

**Item 16 – Investment Discretion**

EVR has full trading authority over client accounts and provides investment advisory services on a discretionary basis to clients. Investors may not impose restrictions on EVR’s discretionary authority and therefore EVR has discretion involving the type and amount of securities purchases and/or sold, broker-dealer selection and commission rates

paid to broker-dealers. Prior to assuming full discretion in managing a client's assets, EVR enters into an investment management agreement or other agreement that sets forth the scope of our discretion.

**Item 17 – Voting Client Securities**

EVR has sole and exclusive authority and responsibility to vote all proxies on behalf of our clients. As such, clients may not direct how we should vote on a particular proxy and there exists a potential conflict of interests between us and Investors.

We have adopted Proxy Voting Policies and Procedures which we believe are reasonably designed to ensure that proxies are voted in the best interest of our Funds and in accordance with our fiduciary duties and Rule 206(4)-6 under the Advisers Act. The theme of our proxy policy is that votes are cast with the sole aim of enhancing the value of the Funds' assets.

EVR will make available, upon written request, to any investor or qualified prospective investor a copy of the Proxy Voting Policies and Procedures and proxy voting record.

**Form N-PX**

The SEC requires "institutional investment managers" to report "say-on-pay" votes on amended Form N-PX when voting on the approval of executive compensation, the frequency of such executive compensation, and "golden parachute" compensation in connection with a merger or acquisition. If EVR files Form 13F during the course of a calendar year, it will have an obligation to annually report say-on-pay voting decisions through amended SEC Form N-PX.

**Item 18 – Financial Information**

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