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This brochure provides information about the qualifications and business practices of FourWorld Capital Management LLC (the “**Adviser**”), an investment adviser registered with the United States Securities and Exchange Commission (the “**SEC**”). If you have any questions about the contents of this brochure, please contact us at (212) 266-0074. This information has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

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

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

**Item 2. Material Changes**

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The Adviser's last annual update was filed on March 31, 2023. Since the last annual update, there were no material changes to the business to report. Any future material changes to the Adviser's business will be discussed in this section. Please review this section, and this Brochure, in its entirety for detailed disclosure information.

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**Item 4: Advisory Business**

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The Adviser is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations in April 2015. John Addis is the principal owner of the Adviser. The Adviser wholly owns a German subsidiary, FourWorld Capital Europe GmbH (“**FW Europe**”), which employs the Adviser’s European team.

The Adviser provides advisory services on a discretionary and non-discretionary basis to its Clients (as defined below), which include pooled investment vehicles intended for sophisticated investors and institutional investors (the “**Funds**”). FW Europe provides investment research to the Adviser.

The Adviser provides advice to the Clients based on specific investment objectives and strategies described in the Account Agreements (as defined below) or each Fund’s governing and offering documents (the “Fund Documents”). The Adviser does not tailor advisory services to the underlying Limited Partners or Shareholders (collectively “**Investors**”) of the Funds, and the Funds may not impose restrictions on investing in certain securities and other financial instruments or certain types of securities and other financial instruments. The Adviser has also engaged in sub-advisory relationships with other investment advisers to manage portions of the investment advisers’ private funds. These are referred to as the “Sub-Advised Funds” and are managed in a way consistent with an Account (defined below).

Under certain circumstances the Adviser has agreed to tailor advisory services to the individual needs of separately managed accounts (each such separately managed account, an “**Account**” and together with the Funds and Sub-Advised Funds, are referred to as the “**Clients**”). Currently, the Adviser tailors its advisory services provided to Accounts as described in each respective agreement for such Account (each, an “**Account Agreement**”).

As of December 31, 2023, the Adviser managed approximately \$1,018,795,655 in Regulatory Assets Under Management (“**RAUM**”). The Adviser managed \$941,632,707 in RAUM on a discretionary basis and \$77,162,948 in RAUM on a non-discretionary basis.

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**Item 5: Fees and Compensation**

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***Asset-Based Fees***

The Adviser is paid an asset-based investment management fee of 0% to 1.75%, as further provided for in each Account Agreement and/or Fund Documents. The asset-based investment management fees paid by the Funds are either per annum based on the capital contributions of the investors or the value of the assets of the Fund (as further described in the Fund Documents of each Fund) or up-front based on the amount invested in an Account. The Funds’ investment management fees are charged each month in advance based on the capital contributions of the investors in the Fund or the value of the assets of the Fund. Generally, the Adviser’s management fees are not negotiable.

The Adviser generally deducts the investment management fee from the Clients on a monthly basis. For the Funds, the Adviser requests fees by instructing a Fund’s custodian. However, in limited circumstances, where cash reserved by the Funds are insufficient to pay the investment management fee, the Adviser may bill investors in the Funds for the management fee, as further disclosed in each Funds’ Documents. Pre-paid monthly investment management fees charged to the Funds will be refunded based on the number of days remaining in the month for any period that is less than a full month.

Management fees assessed on investments in a Fund may be reduced or waived for certain principals, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

***Performance-Based Allocations***

The Adviser may also be paid performance-based allocations, which is an allocation that is based on a share of capital appreciation of the assets of a Client. These allocations may be paid to the Adviser or to a related person of the Adviser and ranges from 8% to 20% of the Client's profits, as further described in each such Account Agreement or Fund Documents. In some cases, this is paid on an annual basis and in other cases it is paid out of amounts that would otherwise be distributed to a Fund's investors.

Generally, performance-based allocations are not negotiable. However, the Adviser and its affiliates generally have the ability to reduce or waive performance-based allocations for certain principals, employees or affiliates of the Adviser, relatives of such persons, and for certain large or strategic investors.

***Other Fees and Expenses***

In addition to paying investment management fees and, if applicable, performance-based allocations, each Fund will also be subject to other investment expenses, in accordance with such Fund's investment management agreement or fund governing documents, which may include, all out-of-pocket expenses incurred by the Funds or on their behalf that are directly related to the organization of the Funds; ongoing expenses, including, without limitation, legal, compliance (including consultants' fees), risk management expenses (including software licensing), administrator, audit and accounting expenses (including third party accounting services); organizational expenses (including the initial offer and ongoing sale of interests in the Funds and any "feeder fund's" pro rata share of the organizational expenses of its corresponding "master fund"); investment expenses such as commissions and any other expenses related to the purchase, sale or transmittal of assets of the Funds; research fees and expenses (including Bloomberg and similar subscriptions and data services, third party consultants and research-related travel, including first and business class fares); fees and expenses related to sourcing, evaluating, consummating, monitoring, managing and enforcing actual or potential investments (including, but not limited to, expenses relating to: shareholder and management communication, soliciting proxies, hiring proxy advisory consultants, hosting shareholder forums and hiring public relations consultants); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; insurance costs (including D&O and E&O insurance); any independent review committee members' fees and expenses should one be established; expenses of regulatory compliance (including compliance with AIFMD), filings and reporting (including but not limited to Section 13, Section 16 and Form PF filings); Directors' fees and expenses; out-of-pocket expenses incurred in connection with the collection of amounts due to the Funds from any individual, company, corporation, trust, limited liability company, joint stock company or other legal entity (collectively, a "Person"); expenses incurred in connection with any action, claim, suit, investigation, arbitration or proceeding, whether at law or in equity, and whether by or before any court, arbitrator, governmental body or other administrative, regulatory or other agency or commission (collectively, a "Proceeding") involving the Funds (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith; any indemnification obligation and any other indemnity contribution or reimbursement obligations of the Funds with respect to any Person, whether payable in connection with a Proceeding involving the Funds or otherwise; and all other expenses of Funds incurred in connection with its ongoing operations and administration. The Funds are also responsible for fees and expenses incurred in connection with reorganization, restructuring, termination, winding-up, or dissolution of the Funds. The fees that are attributable to each Fund are described in each Fund's offering documents.

In addition, Clients will incur brokerage and other transaction costs. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices. The Accounts will also be subject to a subset of the foregoing expenses.

The Account holders pay investment expenses as set forth in each respective Account Agreements.

#### **Item 6: Performance-Based Fees and Side-by-Side Management**

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As described in Item 5, the Adviser or an affiliate of the Adviser is entitled to be paid performance-based allocations by Clients. Such performance-based allocations may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based allocation arrangements. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. Further, the variation of performance-based allocations structures among Clients may create an incentive for the Adviser to direct the best investment ideas to, or to allocate or sequence trades in favor of, a client that bears higher performance-based allocations or performance-based allocations providing for payment to the Adviser at different times or over different time intervals than another client.

Certain Funds hold investments for which the Adviser or an affiliate receive performance-based allocations only upon the sale or deemed realization of the Funds' investments. To the extent the Adviser or an affiliate is entitled to performance-based allocations from such Funds upon the sale or deemed realization of investments, the Adviser may have an incentive to delay the realization of such an investment.

The Adviser will employ a wide range of investment objectives and strategies for its Clients. These differing objectives and strategies raise potential conflicts of interest. For example, the Adviser may buy a security for one Client account while it is selling that security for another Client account. In addition, the Adviser may cause one Client account to buy a particular security "long" and another Client account to sell that same security "short." In specific instances, the Adviser's strategies may result in buying and selling different securities and instruments within an issuer's capital structure for different Clients. Accordingly, it is possible that one Client may acquire an instrument that is senior on the capital structure of an issuer relative to an instrument for a different Client that is more junior on the capital structure (including common stock). In certain circumstances, such as if the credit quality of the issuer deteriorates, the Adviser may owe conflicting fiduciary duties to multiple Clients, in that action taken to protect the interest of one set of holders may be detrimental to, or conflict with the interests of, other holders of the same issuer's securities or instruments. When the Adviser causes its Clients to take opposite positions with respect to a particular security, or to invest in different ranks of seniority with respect to a particular issuer, action taken for the benefit of one set of Clients may appear to favor that set of Clients.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities. The Adviser will review investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts will be regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser will adopt procedures relating to the allocation of investment opportunities which require that similarly managed accounts generally participate in investment opportunities pro rata based on asset size or in some other manner the Adviser considers fair and equitable and require that, to the extent orders are aggregated, the Client orders are price-averaged. Finally, the Adviser's procedures will also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair allocation among accounts. These areas are monitored by the Adviser's Chief Compliance Officer.

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**Item 7: Types of Clients**

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The Adviser's Clients are Funds, sub-advised Funds, and separate accounts for other institutional investors. With respect to any Fund, any initial subscription minimums are disclosed in the respective Fund Documents. The Adviser does not have any requirements for opening or maintaining an account.

The Adviser, however, is not precluded from advising types of Clients that are not listed above.

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

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The Adviser primarily focuses on event driven and special situation investments in the North American and European equities and equity derivatives markets. The Adviser's strategy emphasizes investments in special corporate situations driven by tax, legal and regulatory considerations. The Adviser may, from time to time, use certain credit related instruments and participate in complex, structured financing situations. The Adviser utilizes a variety of methods and strategies, including fundamental research, to make investment decisions and recommendations.

The Adviser employs the following investment strategies:

***Special Situations/Event Driven Investing***

The Adviser may look for special situation or event driven investment opportunities, which involve evaluating both the value of the underlying securities and the timing and probability of a specific event, such as a potential merger between two companies or a determination in a legal proceeding.

***Derivatives***

The Adviser utilizes a variety of financial instruments such as derivatives for profit and/or risk management purposes.

***Equity***

The Adviser's equity strategy focuses on a broad range of equity investment styles. Some *Client* accounts may focus on specific ranges on the capitalization scale, from micro-cap, through small-cap, mid-cap and large-cap, to mega-cap. Other Client accounts may focus on investment opportunities in more than one capitalization category or across all capitalization levels. In addition, the Adviser may manage Client accounts that are global, multi-national, or focused on particular geographic regions or specific countries.

***Short Selling***

The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) in order to maintain flexibility and, (iii) for profit.

***Leverage***

The Adviser's investment program may utilize leverage which involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

***Arbitrage Transactions***

The Adviser engages in one or more types of arbitrage strategies. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in other forms. The Adviser engages in the following arbitrage strategies: event-driven arbitrage, merger arbitrage and capital structure arbitrage.

***Credit***

The Adviser engages in a credit strategy. The Adviser generally invests in credit-related assets across all levels of the capital structure, including, investments in distressed debt securities and other financial instruments, high yield and investment grade loans and bonds, structured credit and special situations.

***Growth***

The Adviser engages in a capital growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

***Activist Strategy***

The Adviser's investment strategy may, from time to time, involve shareholder activism that may attempt to influence the companies in which some Client accounts invest. The Adviser may also attempt to build strong relationships with management of the companies in which some Client accounts invest.

***Buy and Hold***

The Adviser engages in buy and hold investment strategies for certain Clients wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

These methods, strategies and investments involve risk of loss to Clients and Clients must be prepared to bear the loss of their entire contribution.

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

The following summary identifies the material risks related to the Adviser's significant investment strategies and should be carefully evaluated before making an investment with the Adviser; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks. Investors and potential investors in the Fund should refer to the offering memorandum for the Fund for a further discussion of the applicable risks.

***Special Situations/Event Driven Investing:***

In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Adviser's Client of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Adviser's Client 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 Adviser's Client may invest, there is a potential risk of loss by the Adviser's Client of its entire investment in such companies.

*Lack of Diversification:*

Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, Client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments, geographic areas or sectors.

*Hedging:*

There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

*Derivatives:*

The risks posed by any swap and other derivatives, which the Adviser may invest in for speculative or hedging purposes, can be extremely complex. The risks associated with these investments and techniques include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset); (3) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (4) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

*Arbitrage Transaction Risks:*

If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Adviser is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

*Activist Strategy:*

There is a risk that the intended strategy for a particular company will be unsuccessful. Further, when securities are purchased in anticipation of influencing the future direction of a company, a substantial period of time may elapse between the purchase of the securities and the anticipated results. During this period, a portion of Client capital would be committed to the securities purchased, and the Adviser may finance some portion of such purchases with borrowed funds on which it must pay interest. Additionally, if the anticipated results do not in fact occur, the Adviser may be required to sell the investment at a loss. Moreover, there may be instances where the Adviser will be restricted in transacting in or redeeming a particular investment as a result of the size of its investments or its activist investment strategy.

*Commodities:*

Commodity investments are affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on its commodity investments. Prices of commodity investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Adviser's portfolio and the value of its investments. In addition, the value of the Adviser's portfolio may fluctuate as the general level of interest rates fluctuates.

*Leverage:*

Performance may be more volatile if a Client's account employs leverage. The use of leverage exposes Clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Client not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Client's cost of borrowing such funds.

*Short Selling Risk:*

The Adviser's investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

*Issuer-Specific Changes:*

Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

*High Growth Industry Related Risks:*

High growth companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

*Interest Rate Risks:*

Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities

than for short-term securities. The Adviser may attempt to minimize exposure to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Adviser will be successful in fully mitigating the impact of interest rate changes.

*Technology Industry Related Risks:*

Certain technology and technology-related companies allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In connection with the foregoing, technology and technology-related companies could be adversely affected by lack of commercial acceptance of its main product or products or by technological change and obsolescence. Further, many companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a technology or technology-related company will be able to protect these rights, as applicable, or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of the company. Conversely, other companies may make infringement claims against the company, which could have a material adverse effect on it. Additionally, the markets in which many technology and technology-related companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that the companies the Adviser invests in will successfully penetrate their market or establish or maintain a competitive advantage.

*Natural Resource Related Investments:*

In the past, natural resource related investments have been subject to substantial price fluctuations over short periods of time. Such prices are affected by various factors, including economic conditions, political events, natural disasters, exploration and development success or failure, and technological changes. In addition, certain natural resources are geographically concentrated, and events in those parts of the world in which such concentration exists may affect their values.

*International Investing:*

Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) potential lack of uniform accounting, auditing and financial reporting standards; (iii) varying levels of governmental regulation and supervision; and (iv) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. The transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies. The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy.

*Cross Class Liabilities:*

Each separate class, portfolio or series of certain of the Funds represent separate accounts and will be maintained with separate accounting records. However, these Funds are each single legal entities. Thus, all of the assets of the respective Funds may be available to meet all of the liabilities of such Funds,

regardless of the separate account to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any class, sub-class, or series becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. Borrowing by any of the Funds for the investment activities of a class, portfolio or series or other purposes, as well as entering into short sale transactions, increases this risk of insolvency.

*Loan Origination Risk:*

The Adviser may make investments in loans whose value may be detrimentally affected to the extent a borrower defaults on its obligations, there is insufficient collateral and/or there are extensive legal and other costs incurred in collecting on a defaulted loan. Adviser may attempt to minimize this risk by maintaining low loan-to-liquidation values with each loan and the collateral underlying the loan. However, there can be no assurance that the value assigned by the Adviser to collateral underlying a loan will be realized upon liquidation, nor can there be any assurance that collateral will retain its value. In addition, certain loans may be supported, in whole or in part, by personal guarantees made by the borrower or a relative, or guarantees made by a corporation affiliated with the borrower. There may be a monetary, as well as a time cost involved in collecting on defaulted loans and, if applicable, taking possession of and subsequently liquidating various types of collateral.

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

*Equity Securities:*

The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short term as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

*Derivatives:*

Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Adviser. Further, transactions in derivative instruments may not be undertaken on recognized exchanges, and will expose the Client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

*Total Return Swaps:*

Under a total return swap, a Fund may be obligated to make certain periodic payments in exchange for the total rate of return on a referenced asset, such as an eligible loan or bond, and such return will include interest and the gain or loss on such asset over the term of the swap. Swap facilities often require covenants or qualifications related to referenced assets, including, but not limited to, covenants or qualifications regarding ratings and liquidity of a referenced asset or the diversification of a portfolio as a whole. A Fund may be required to maintain collateral with its swap counterparties. If a Fund fails to fulfill its payment obligations or fails to post any required collateral under a total return swap or if a Fund has a substantial decline in net asset value, the swap counterparty may declare an event of default and, as a result, such Fund may be required to pay swap breakage fees, suffer the loss of the amounts paid to the swap counterparty and forego the receipt from the counterparty of further total return swap payments.

*Commodity Futures and Options:*

Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a pooled investment vehicle engaging in commodity futures trading. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to such a pooled investment vehicle. Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

*Risk Arbitrage Securities:*

A merger, other restructuring, tender, or exchange offer proposed at the time the Adviser invests in risk arbitrage securities may not be completed on the terms or within the time frame contemplated, resulting in losses.

*Non-U.S. Securities:*

Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. One or more of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

*Emerging Markets:*

There are greater risks associated with investments in securities of issuers located in less developed countries than investments in securities of issuers located in the U.S. and other developed markets. Political risk for many developing countries is a significant factor. During certain social and political circumstances, governments may be involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls. In comparison to more developed markets, trading volumes in emerging markets may be lower, which can result in a lack of liquidity and greater price volatility.

*Illiquid Instruments:*

Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. In some cases, the relevant portfolio may be contractually prohibited from disposing of certain securities for a specified period of time. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

*Litigation Risks:*

A Fund, as an independent legal entity, may participate in lawsuits or other proceedings in U.S. or foreign courts in order to challenge proposed valuations of certain investments. The outcome of any such litigation is uncertain and will be handled under the laws of foreign jurisdictions, which may and do differ from the laws of the United States.

***Additional Risks Relating to the Adviser***

*Cybersecurity Risk:*

The information and technology systems of the Adviser and of key service providers to the Adviser and its Clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its Client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

*Risk Management Failures:*

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

*Systems and Operational Risk:*

The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including 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, the Adviser and its Clients 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 the Clients' operations. In addition, despite certain measures established by the Adviser and third-party service providers to safeguard information in these

systems, the Adviser, Clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the Client trading activities, liability under applicable law, regulatory intervention or reputational damage.

*Brokerage and Custodial Risk:*

There are risks involved in dealing with the custodians or prime brokers who settle trades. There is no guarantee that a prime broker or any other custodian that a Fund may use 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, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Fund assets, such Fund would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

*Liability Resulting from Investing Through Commingled Special Purpose Vehicles:*

The Adviser has and may establish special purpose vehicles to hold Client investments. Holding investments through special purpose vehicles exposes the Client to risks not present in direct investments, particularly when the Client participates in a special purpose vehicle in conjunction with third parties. In certain circumstances, depending on the jurisdiction of organization, applicable tax treaties and other tax, legal or business considerations, special purpose vehicles through which multiple Clients make investments may not provide for complete segregation of assets and liabilities. Accordingly, if any Clients are unable or unwilling to meet all of their respective obligations, liabilities and/or shortfalls associated with the underlying investment in which they hold an interest through a special purpose vehicle, the Clients, may be adversely affected.

**Item 9: Disciplinary Information**

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This Item is inapplicable.

**Item 10: Other Financial Industry Activities and Affiliations**

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One or more of the Funds for which the Adviser or its related person serves as the general partner, managing member or investment manager has entered into agreements, or “side letters,” with certain investors in the Funds whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the partnership or fund. For example, such terms and conditions may provide for reduced fees and performance-based allocations; special redemption rights; a waiver of other terms; rights to information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as negotiated by the Fund and such investor. The modifications are solely at the discretion of any such Fund and may, among other things, be based on the size of the investor's investment in the Fund or affiliated investment entity.

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

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The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its supervised persons to put the interests of the Adviser’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. In addition to compliance with the Adviser’s policies and procedures, all of the Adviser’s personnel are required to comply with applicable federal securities laws. Clients or prospective Clients may obtain a copy of the Code by contacting the Chief Compliance Officer,

Joseph Pijanowski, by email at [jpijanowski@fourworldcapital.com](mailto:jpijanowski@fourworldcapital.com) or by telephone at 212-266-0074. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser's supervised persons.

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

The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to its Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

In addition, the Adviser or its supervised persons may hold the same securities (or related securities, e.g., warrants, options or futures) that the Adviser recommends to Clients. The Adviser or its supervised persons may trade in a particular security in a manner that is the same as, different from, or even opposite to the trading activity undertaken by the Adviser on behalf of its Clients with respect to that same security. Such practices present a conflict when, because of the information an Adviser has, the Adviser or its supervised persons are in a position to trade in a manner that could adversely affect the Clients (e.g., place their own trades before or after Client trades are executed in order to benefit from any price movements due to the Client trades). In addition to affecting the Adviser's or its supervised person's objectivity, these practices by the Adviser or its supervised persons may also harm Clients by adversely affecting the price at which the Clients' trades are executed.

The Adviser has adopted the following procedures in an effort to minimize such conflicts: The Adviser requires its supervised persons to preclear any transaction in their personal accounts with the Chief Compliance Officer, with certain exceptions. In addition, the Adviser's Code prohibits the Adviser or its related persons and its supervised persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser's supervised persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser's supervised persons are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Adviser's supervised persons are required to provide broker confirmations of each transaction in which they engage and quarterly certification of such transactions. The Adviser's supervised persons are also required to provide quarterly brokerage statements. Trading in the personal accounts of the Adviser's supervised persons is reviewed by the Chief Compliance Officer and compared with transactions for Client accounts and reviewed against the restricted securities list.



To the extent that the Adviser or a related person or any personnel of the Adviser own securities that the Adviser or its related persons also recommends to Clients, such Clients' proxies will be voted according to predetermined guidelines rather than subject to the Adviser's (or its related person's) discretion. Please refer to Item 17 for further information regarding the Adviser's proxy voting policy and procedures.

A related person of the Adviser from time to time may recommend securities to Clients, or buy or sell securities for Client accounts, at or about the same time that the related person buys or sells the same securities for its own account in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser's related person to the detriment of the Client.

The Adviser's related persons may, and currently do, invest in private funds managed by the Adviser. The Adviser's related persons have access to information that is not available to other investors in such private funds.

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**Item 12: Brokerage Practices**

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The Adviser considers 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, but are not limited to, reputation, financial strength and stability, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, research (including economic forecasts, fundamental and technical advice on securities, valuation advice on market analysis); custodial and other services provided for the enhancement of the Adviser's portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; and the operational facilities of the brokers and/or dealers involved (including back office efficiency). In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. Certain of the Adviser's personnel meet periodically to evaluate the broker-dealers used by the Adviser to execute Client trades using the foregoing factors.

The Adviser, receives research and other products or services other than execution from a broker-dealer and/or a third party in connection with Client securities transactions. This is known as a "soft dollar" relationship. Except for services that would be a Fund expense or as otherwise described below, the Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison

services, electronic confirms or trade affirmations. The use of commissions arising from Fund investment transactions for services other than research and brokerage will be limited to services that would otherwise be a Fund expense. The use of commissions to obtain such other services would be outside the parameters of Section 28(e).

When and if the Adviser uses Client commissions to obtain Section 28(e) eligible research and brokerage products and services, certain of the Adviser's personnel will meet periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, 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 the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of Client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

The Adviser may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for Clients.

Research and brokerage services obtained by the use of commissions arising from a Client's portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of other Client accounts. The Adviser seeks to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate.

In determining whether to direct Client brokerage transactions to particular broker-dealers, certain of the Adviser's personnel meets periodically to review and evaluate the soft dollar practices of the Adviser and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, 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.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser 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 the actual use of the product or service by the Adviser's personnel. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination by the Adviser of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and Clients.

From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend investments in these private funds as investments to the Clients of the broker-dealer. The Adviser may place Client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending

the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

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**Item 13: Review of Accounts**

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The Client accounts are reviewed by the Chief Investment Officer of the Adviser, on an ongoing basis to determine whether securities positions should be maintained in light of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of the Client account.

Significant market events affecting the prices of one or more securities in the Client account or changes in the investment objectives or guidelines of a particular Client may trigger reviews of the Client account on other than a periodic basis.

Each investor will receive reports from the Adviser pursuant to the terms of the respective Account Agreement or Fund Documents.

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

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The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its Clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

The Adviser makes cash payments to third-party solicitors for Fund investor referrals whereby the third-party solicitor receives compensation attributable to the Fund investor solicited and referred by the third-party solicitor, provided that, to the extent required, each such solicitor has entered into a written agreement with the Adviser pursuant to which the solicitor will provide each prospective Client with a copy of the Adviser’s Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for Client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, and related SEC staff interpretations.

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**Item 15: Custody**

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The Adviser and its affiliate are deemed to have custody of certain Client assets and intend to comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, by meeting the conditions of the “**Pooled Vehicle Annual Audit Exception**”. Such Rule requires that each Fund be subject to an annual financial statement audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements will be prepared in accordance with generally accepted accounting principles in the U.S., and will be distributed to each Fund Investor within 120 days of the applicable Fund’s fiscal year end.

**Item 16: Investment Discretion**

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The Adviser provides investment advisory services on a discretionary and non-discretionary basis to Clients.

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

Where the Adviser provides investment advisory services on a discretionary basis, it has the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Client account. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among Clients: (i) a Client's investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a Client's portfolio by the Client or by applicable law; (iv) size of the Client account; (v) nature of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible Client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to Client accounts in varying amounts. The Adviser may provide certain Clients or investors in a private fund with the opportunity to co-invest in certain investments to which the Adviser has access. Participation in such opportunities may be limited to a select number of Clients or investors based on their relationship with the Adviser or other factors and may not be available to all of the Adviser's Clients or investors.

Allocations will be made among Client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a Client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a Client's status as a "*restricted person*" under applicable regulations. Securities acquired by the Adviser for its Clients through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those Client accounts eligible to hold such securities. Eligibility will be based on the legal status of the Clients and the Clients' investment objectives and strategies.

The Adviser will use its best efforts to assure that orders are entered correctly; however, to the extent that an error occurs, it is to be (i) corrected as soon as practicable; and (ii) reported to the Chief Compliance Officer who will investigate the matter and determine an appropriate resolution. When a trade error is made on behalf of a Client, the Adviser will use its best efforts to break the trade or otherwise correct the trade error. Any trading losses, liabilities, damages, expenses or costs resulting from trade errors are generally borne by the Client, unless an error is the result of the Adviser's gross negligence or intentional misconduct, or, if applicable, the result of conduct by the Adviser that is inconsistent with a different standard of care. The Adviser is not responsible for the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by the Adviser.

The Adviser may effect cross transactions between discretionary Clients. Cross transactions enable the Adviser to effect a trade between two Clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving

commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions.

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**Item 17: Voting Client Securities**

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To the extent the Adviser has been delegated proxy voting authority on behalf of its Clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interests of the Fund. The Adviser's Clients are not permitted to direct their votes in a particular solicitation.

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 the Adviser 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.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a Client's proxies by contacting the Chief Compliance Officer, Joseph Pijanowski, by email at [jpijanowski@fourworldcapital.com](mailto:jpijanowski@fourworldcapital.com) or by telephone at 212-266-0074.

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**Item 18: Financial Information**

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