
THIRD NORTH CAPITAL LP

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This brochure provides information about the qualifications and business practices of Third North Capital LP (“Third North”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer (“CCO”), Katie Clark, at (929) 523-2436. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Third North also is available on the SEC’s website at: www.adviserinfo.sec.gov.

Third North is an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

ITEM 2 - MATERIAL CHANGES

This Brochure is Third North LP's annual amendment. There have been no material changes since the other-than-annual amendment filed in October 2023. Clients and prospective clients should carefully review the disclosure contained herein.

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ITEM 4 - ADVISORY BUSINESS

Third North is a Delaware limited partnership formed in April 2016 and principally owned by Zachary Datikash. Third North is registered as an investment adviser with the U.S. Securities and Exchange Commission ("SEC").

Third North currently provides discretionary investment advice to two separately managed accounts (each, a "Managed Account") and private funds (the "Funds"), and may do so in the future for additional Managed Account clients, as well as for other private investment Fund clients (each, "Funds" and, collectively with each Managed Account client, "Clients").

Third North primarily invests and trades on behalf of its Clients through short selling equity and equity-related instruments that are traded publicly in U.S. markets and non-U.S. markets. Third North also may hold cash, cash equivalents, bonds, CDS (OTC), and money market instruments, as well as long investments in, without limitation, equities, equity index-linked securities, equity swaps (OTC), equity derivatives and equity-related instruments.

Under certain circumstances, we will contract with a Managed Account client to adhere to limited risk and/or operating guidelines imposed by the client. We negotiate such arrangements on a case-by-case basis. Any Funds would be governed by the investment restrictions and guidelines contained in their respective offering documents (including private placement memoranda or limited partnership agreements), and each of the Managed Accounts are governed by their investment management or investment advisory agreements with Third North (each an "Investment Agreement" and collectively, with the Fund private placement memoranda and limited partnership agreements, the "Offering Documents"). We generally would not permit investors in a Client to impose limitations on the investment activities described in the Offering Documents for the Client. Information about any Clients, including information about investment strategies, fees, expenses, risks and other material information is also contained in each Client's Offering Documents.

As of December 31, 2023, Third North had approximately \$426,775,590 of regulatory assets under management on a discretionary basis.

ITEM 5 - FEES AND COMPENSATION

Third North charges management fees based on net asset value under management and performance-based compensation based on net realized and unrealized trading gains. The extent to and specific manner in which management fees, performance-based compensation and expenses are charged by Third North is set forth in each Client's Offering Documents, as applicable. A brief summary of such fees and expenses is provided below.

The Fund shall pay to Third North a management fee, payable in advance on the first business day of each calendar quarter (the "Management Fee"), equal to the product of (i) the Fund's net assets attributable to the Fund's limited partner and (ii) the "Management Fee Rate," which shall be determined on an annual basis based upon the preparation of an annual budget. The Management

Fee is charged to the capital account of the Fund's limited partner on the first business day of each calendar quarter.

Generally, fees for our Managed Accounts, fees range between 0.90% and 1.5%. At the beginning of each calendar quarter, the Managed Accounts shall each pay to Third North a Management Fee, the specific calculations of which are provided in each Client's Offering Documents.

Fees may be modified solely at the discretion of Third North.

For one Managed Account and one limited partner in the Fund, who are related parties by virtue of common ownership, fees are determined based upon the preparation of an annual budget. Third North's fee assessment for this Managed Account and limited partner in the Fund is a fixed fee prorated across the two based on the end of quarter NAV which ranges from 0.9% to 1.5%.

At the close of each fiscal year, the Fund and the Managed Accounts shall pay to Third North a performance-based profit allocation (the "Incentive Allocation"), generally ranging from 5% to 20% (annually) based on the performance of the portfolio versus specific benchmarks as well as from 0% to 10% (annually) of net realized and unrealized trading gains subject to a high-water mark. The specifics of the calculations of the Fund's and each Managed Account's Performance Fee are provided in each Client's Offering Documents. Performance based compensation is generally charged in arrears.

Clients also ordinarily incur certain charges, including expenses, imposed by custodians, brokers and other third parties, such as commissions, custodial fees and other fees and taxes on brokerage accounts and securities transactions, where applicable. Such commissions, fees, costs and expenses are exclusive of and in addition to Third North's fees and performance-based compensation, and Third North does not receive any portion of those commissions, fees, costs and expenses. The Clients pay expenses according to the specific terms of their Offering Documents.

If more than one Client incurs a shared expense, Third North will allocate such shared expense among the applicable Clients (i) in proportion to the net asset value of each applicable Client; (ii) in proportion to the size of the investment made by each Client to which the expense relates; or (iii) in such other manner as Third North considers fair and reasonable.

Third North's management fees, performance-based compensation and expenses may be reduced or waived in certain circumstances, including with respect to investments by Third North personnel and other related persons of Third North in any future Funds or Managed Accounts.

Third North also may allocate a portion of certain Clients' capital to money market funds, exchange-traded funds or similar fee-bearing products or private investment funds and accounts that are managed by other investment managers. In addition to the fees and expenses discussed above, a Client will indirectly incur similar fees and expenses if Third North invests such Client's capital in such products, as these products in turn pay similar fees to their investment managers and other service providers.

Item 12 describes the factors that Third North considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

Third North's Clients typically are charged both a management fee and a performance fee or allocation, as described above in Item 5. Performance-based compensation is structured to comply with Section 205 of the Advisers Act. Investors and prospective investors of our Clients, and/or any future Clients managed by Third North are urged to review the Clients' Offering Documents as well as this brochure for complete information on the fees, compensation and expenses payable by investors in the Fund.

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

ITEM 7 - TYPES OF CLIENTS

Third North provides investment advice to institutional clients and may, in the future, provide investment advice to other types of clients, including, among others, private investment funds, endowments and family offices.

Third North will determine the minimum investment for a Managed Account (and any other conditions for opening and maintaining a Managed Account) or any other private Funds, on a case-by-case basis.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Third North's primary investment strategy for Client accounts involves short selling equity and equity-related instruments that are traded publicly in U.S. markets and non-U.S. markets. Third North generally also may hold on behalf of Client accounts, without limitation, cash, cash equivalents and money market instruments, as well as long investments in equities, equity index-linked securities and equity-related instruments (including listed options covering securities, such as common stocks, exchange traded funds and market indexes, and commodity interests). As part of its effort to identify investment opportunities, Third North typically reviews proprietary screens, reads publicly available filings and news sources, attends trade shows and/or observes shifts in the regulatory environment. Third North's research activities generally include engaging in industry analysis and financial statement analysis, communicating with industry participants and observing company operations. A brief explanation of the material risks associated with Third North's significant investment strategies and methods of analysis follows.

Risks of Investments Generally. All investment strategies risk the loss of some or all capital. There can be no assurances that a Client will achieve its investment objective, that the strategy pursued, and methods utilized by Third North will be successful under all or any market conditions or that any program will provide an acceptable return to Clients or will not incur substantial losses. Investment results may vary substantially over time and, among other things, Third North's investments may be materially affected by conditions in the financial markets and overall

economic conditions occurring globally and in particular countries or markets where Third North invests Client assets. Past performance is not indicative of future results.

Business Dependent upon Key Individual and Individual Judgment. Third North's operations are dependent upon its founder, Zachary Datikash, who is the Managing Member and Chief Investment Officer. The individual judgment and discretion of Mr. Datikash is fundamental to the implementation of Third North's strategies. There can be no assurance that such individual judgment will be accurate, achieve profits or avoid losses. If Mr. Datikash were to become unable to directly participate in the management of Third North, the consequences may be material and adverse and may lead to the premature termination of Third North's management of Client assets.

Separately Managed Accounts (the "Managed Accounts"). Third North, its general partner ("NMSF GP, LLC" or the "General Partner") and/or their affiliates may render advice to one or more Managed Accounts. Such accounts may invest on a pari passu basis with the Fund and have portfolios that are substantially similar to the Fund's portfolio. The investors in such Managed Accounts may have the right to withdraw all or a portion of their capital from such Managed Accounts on shorter notice and/or with more frequency than the terms described in the relevant governing agreements. In addition, since a Managed Account investor directly owns the investments held in its Managed Account, such investor may have full, real-time transparency as to all transactions and holdings in such account and may be better able to assess the future prospects of a portfolio that is substantially similar to the Fund's portfolio. As a result of the foregoing, the Firm, the General Partner and/or their affiliates may be required to withdraw from investments on behalf of such Managed Account in order to satisfy withdrawals from such Managed Account. Neither Third North nor the General Partner is under any obligation to withdraw from an investment on behalf of the Fund at such time and may determine to hold such positions for the Fund for an indefinite period of time. The Firm or the General Partner may determine to add to the Fund's positions that are being withdrawn by such Managed Accounts. Withdrawals from investments for the benefit of such Managed Accounts may have an adverse effect on the value of the Fund's investment. In addition, the value realized by such Managed Account in connection with such withdrawals may differ from the value realized by the Fund when it disposes of the same positions at a later time.

Short Sales. Third North will primarily engage in short selling as part of its general investment strategy for Clients. A short sale involves the sale of a security that a Client does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and the Client is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Client. When a Client makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are affected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss to Clients.

The SEC has in the past adopted, and may again adopt, bans on short sales of certain securities in response to market events. Bans on short selling may make it impossible for Third North to

execute certain investment strategies on behalf of its Clients and may have a material adverse effect on Third North's ability to generate returns for its Clients. In addition, engaging in short selling may increase the risk of Third North or a Client becoming subject to government investigation.

Investment and Trading Risks. All securities investments risk the loss of capital. Third North believes that the trading program and research techniques that it employs for Client accounts will moderate this risk through a careful selection of securities and other financial instruments. However, no guarantee or representation is made that such trading program will be successful or that any Client account will not incur losses. Third North may utilize trading techniques on behalf of Client accounts including, but not limited to, trading in put and call options and other derivatives, the use of leverage, and short sales, which in practice can, in certain circumstances, increase the adverse impact to which the account may be subject.

In certain transactions, Client accounts may not be "hedged" against market fluctuations or, in reorganization or liquidation situations, may not accurately value the assets of the subject company or the degree of legal and regulatory risk associated with investments in the securities of companies in such situations. This can result in losses, even if the proposed transaction is consummated.

Third North will attempt to assess the foregoing risk factors and others in determining the extent of the position it will take in the relevant securities and the price it is willing to pay for such securities. However, such risks cannot be eliminated.

Competition. The securities industry and the varied strategies and techniques to be engaged in by Third North are extremely competitive and each involves a degree of risk. Third North will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Concentration of Trades. Third North generally is not restricted in the amount of capital that it may commit to any single security or industry sector on behalf of a Client account, and at times a Client account may hold a relatively large concentration in a particular security or industry. Losses incurred in connection with those trades could have a material adverse effect on the account's overall financial condition. This is because the value of the account's trading portfolio will be more susceptible to any single occurrence affecting one or more of those issuers or industry sectors than would be the case with a more diversified trading portfolio.

Small- to Medium-Capitalization Companies. Third North may invest in the stocks of companies with small- to medium-sized market capitalizations on behalf of Client accounts. Those stocks, particularly smaller-capitalization stocks, may involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some of such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks. Such companies may also not be covered or followed by as many financial analysts as companies with larger market capitalizations, and therefore, there may be less information available to Third North with respect to the finances, operations and prospects of such small- to mid-cap companies. The lack of such information could lead to riskier investments for Client accounts.

Leverage. Subject to applicable margin and other limitations, Client accounts will use leverage in the course of their trading operations, using as collateral the securities that they own from time to time. Leverage may also be obtained through other means including the use of derivative instruments. To the extent that Clients purchase securities with borrowed funds, their net assets will tend to increase or decrease at a greater rate than if borrowed funds were not used. If the amount of borrowings which a Client may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the Client's portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Further, the level of interest rates generally, and the rates at which Clients, in particular, are able to borrow, may strongly affect their operating results. As in the case of other leveraged investments, losses may result that exceed the amount of the capital or assets in a Client's account.

Dividends and interest received by certain Clients with respect to foreign securities may give rise to withholding and other taxes imposed by foreign countries. Tax treaties between such countries and the U.S. may reduce or eliminate such taxes, but there is no assurance that such treaties will exist or be applicable to these Clients.

Herding Risk. The substantial growth of the hedge fund industry, including banks and investment banks trading large, highly-leveraged positions of the same nature as those held by hedge funds, has augmented herding risks. While Third North typically may not invest in companies that are broadly followed by other funds or investment banks, such funds or investment banks may later discover opportunities in the same companies in which the Firm has already invested. Whatever the "fair price" of a security or a relationship, its trading price is sometimes radically altered or influenced by the market activity of traders executing parallel trading programs. This factor may provide surprising and sudden losses at unpredictable times.

Equity Securities. Third North may invest in equity and equity-related securities on behalf of Client accounts. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect trades made by Client accounts.

Fixed Income Securities. Third North may trade in bonds or other fixed income securities of U.S. and non-U.S. issuers on behalf of Client accounts, including, without limitation, bonds, notes and debentures issued by corporations, or debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

Client accounts may trade in fixed-income securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult.

Convertible Securities. The market value of convertible securities, as with all fixed income securities, tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. If a convertible security held by a Client account is called for redemption, the account will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on the account's ability to achieve its objective.

Securities of Non-U.S. Companies. Investments in securities of non-U.S. issuers (including non-U.S. governments) and securities denominated in, or the prices of which are quoted in, non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks which could include expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. Clients might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the performance of Client accounts.

Incentive Allocation. The allocation of the Incentive Allocation to the General Partner, an affiliate of Third North, may create an incentive for the Firm to cause the Clients to make investments that are riskier or more speculative than would be the case if such allocation were not made.

Valuation. To the extent that the Clients trades in securities or instruments for which market quotations are not readily available, the valuation of such securities and instruments will be determined by the General Partner in its discretion, the determination of which will be final and conclusive as to all parties. In these circumstances, the General Partner shall attempt to use consistent and fair valuation criteria and may (but is not required to) obtain independent appraisals of such assets at the expense of the Clients.

Price Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which a Client account invests may decline or rise substantially. In particular, purchasing assets at prices that may appear to be "undervalued" is no guarantee that such assets will not be trading at even more

“undervalued” levels at the time of valuation or at the time of sale. Similarly, shorting assets at prices that may appear to be “overvalued” is no guarantee that such assets will not be trading at even more “overvalued” levels at the time of valuation or at the time of sale.

Counterparty Risk. Third North may affect transactions in “over-the-counter” or “interdealer” markets on behalf of Client accounts. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. This exposes Client accounts to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the account to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the account has concentrated its transactions with a single or small group of counterparties. Third North generally is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of Third North to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by Client accounts.

Third North’s trading strategy may involve transactions that expose Client accounts to the credit of their counterparties, and vice versa. For example, Third North on behalf of a Client account may seek to borrow against long positions, to borrow securities intending to sell them short and to enter into long and short derivative positions. All of these transactions, and transactions similar to them, are governed by documents, industry standards, market customs and practices, the parties’ prior course of dealing and by the covenants of good faith and fair dealing. At times, and especially in times of market stress, these credit exposures may come under stress, normal business conduct may be interrupted, and normal legal protections may prove inadequate or may fail to provide timely relief. Furthermore, the prime brokerage or other brokerage agreement between a Client account and its prime or other broker may be terminated at any time upon notice from the broker without penalty. Should it become necessary to remove or reduce credit exposure to a particular counterparty, or in the event that the broker elects to terminate the applicable brokerage agreement, there can be no guarantee that a satisfactory alternative will be available, or even if one is available, that the Client account will be able to avail itself of that alternative. As a consequence, it is possible that positions may be unwound at a disadvantageous time and any unwinding and/or porting of positions to another counterparty may prove costly and thereby damage the account.

Derivatives Generally. Derivative instruments, or “derivatives,” include options, swaps, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset.

The value of a derivative is frequently difficult to determine and depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are

“leveraged,” and thus may provide market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment but may also expose client accounts to the possibility of losses exceeding the original amount invested. Over-the-counter derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for derivatives is relatively illiquid.

A Client account may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the trading objective of the account and legally permissible. Special risks may apply to instruments that are invested in by the account in the future that cannot be determined at this time or until such instruments are developed or invested in by the account.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) enables the Commodity Futures Trading Commission (“CFTC”) and the SEC to enact new regulations on certain over-the-counter derivatives. Under the Dodd-Frank Act, certain over-the-counter derivatives contracts will be regulated through regulated clearing houses and subject to regulation by the SEC and the CFTC. Once this occurs, such contracts will be traded more like futures and options contracts and parties to such transactions will trade standardized contracts and will face clearing corporations as contractual counterparties, rather than facing the credit risk of counterparties under individually negotiated over-the-counter agreements.

In addition, swap dealers and major swap participants (entities that are not swap dealers but are subject to rules governing dealers due to their levels of activity) will be subject to regulatory oversight and requirements with respect to over-the-counter derivatives, which will include business conduct requirements, such as know-your-customer rules, increased risk disclosure and rules requiring trades to be documented within certain timeframes. Derivative contracts, whether cleared or traded over-the-counter, will have to be reported to the CFTC and/or the SEC. Despite these pending changes, parties to over-the-counter derivative trades (*i.e.*, those not yet subject to the new clearing requirements) will continue to bear counterparty credit risk.

While the CFTC has finalized the majority of its required rulemakings under the Dodd Frank Act, there are still a number of rules that have not been finalized by the SEC. As a result, the effect that the foregoing regulatory changes will have on the price of derivative contracts, liquidity and administrative costs, among other things, remains unclear.

Special Situations. Third North may on behalf of client accounts invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and 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 result in a distribution of cash or a new security the value of which will be less than the purchase price to the Client account 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 account 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 account may invest, there is a potential risk of loss by the account of its entire investment in such companies.

Event and Risk Arbitrage. An event and risk arbitrage position is generally taken after a merger, tender offer, exchange offer or other transaction is announced, at which point the security has generally risen to a significant premium over the market price that prevailed prior to the announcement. The difference between the price paid by a Client account for securities of a company involved in an announced deal and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be small. If the proposed transaction appears likely not to be consummated or, in fact, is not consummated or is delayed, the market price of the securities will usually decline sharply, usually to a level comparable to or below that which existed prior to the announcement and generally by more than the Client account's anticipated profit. Further, the account may invest and trade in securities of companies which, although they are not the subject of an announced proposed merger or acquisition, are viewed as potential candidates for such a transaction. Either of these scenarios (non-consummation of an announced deal or non-consummation of an anticipated unannounced deal) can cause the account to suffer a significant loss with respect to any long positions that it has established in the relevant security. Similarly, with respect to any short positions, to the extent such positions have to be covered, the account could be adversely affected. Various events may occur which may result in a transaction not being consummated which could adversely affect the account's position.

Currency Transactions. The Clients may incur costs in connection with conversions between various currencies. Foreign currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Clients at one rate, while offering a lesser rate of exchange should the Clients desire immediately to resell that currency to the dealer. The Firm will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward contracts to purchase or sell non-U.S. currencies.

Commodity Trading. The prices of commodities and all derivative instruments, including futures and options prices, are highly volatile. Price movements of commodities, futures and options contracts are influenced by, among other things, changing supply and demand relationships, U.S. and non-U.S. governmental programs and policies, national and international political and economic events, interest rates and governmental monetary and exchange control programs and policies. Moreover, commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent a Client account from promptly liquidating unfavorable positions and subject it to substantial losses. In addition, the Dodd-Frank Act significantly expands the CFTC's authority to impose broader aggregate position limits.

Third North has not registered with the CFTC as a commodity pool operator or commodity trading advisor.

Call Options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (*e.g.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Put Options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Forward Trading. Third North may engage in forward trading on behalf of Client accounts. Forward contracts (including forward foreign exchange contracts) and options thereon are not traded on exchanges and are not standardized. Rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated - there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities that they trade and these markets can experience periods of illiquidity, sometimes of significant duration, which could result in substantial losses.

Options on Futures. Trading options on futures involves a high degree of risk. The risks of trading options on futures are similar to the risks of trading securities options, but often involve even greater leverage and risks. In addition, if the purchaser of an option on a futures contract exercises the option, the holder will, in effect, be buying or selling the underlying futures contract, and will then be subject to the same risks as are attendant to futures trading.

The foregoing is a basic description of the material risks associated with Third North’s significant investment strategies and methods of analysis and does not purport to be a complete explanation of the risks involved in trading securities or with respect to any trading program managed by Third North. Additional risk factors with respect to any Client would be set forth in each Client’s Offering Documents.

ITEM 9 - DISCIPLINARY INFORMATION

To the best of our knowledge, there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Third North's investment advisory business or the integrity of our management.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

Third North has adopted a "Code of Ethics" that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Clients and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are permitted to transact in certain Non-Reportable Securities (as defined in the Code of Ethics, and which includes a wide variety of investments such as government-issued securities, money market funds and certain other open-ended mutual funds).

Employees are permitted to trade "Reportable Securities" (as defined in the Code of Ethics, and which includes a wider variety of investments such as stocks, bonds, fixed income, options, warrants, futures, currencies, and derivative and Exchange Traded Funds ("ETF's) with prior written pre-approval by the CCO or his appointee. Employees are required to seek pre-approval if they wish to invest in Initial Public Offerings ("IPOs").

Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm's Restricted List. Additionally, employees are prohibited from purchasing and selling securities held or being considered for the Firm's Clients.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

Subject to applicable law, Third North may effect transactions between Client accounts (generally for rebalancing purposes and to correct misallocations of trades), whereby one Client account will purchase securities from or sell securities to another Client account.

In the event that Third North effects a cross trade between an account in which Third North or its principal owns more than twenty-five percent (25%) and another Client account, such transaction may be deemed to be a principal transaction under the Advisers Act. Such transactions may create a conflict of interest for Third North because it may put its or its principal's interests in such accounts before the interests of its Clients in the other account. In order to mitigate this conflict of interest, Third North monitors the interests of the principals of the Firm, their immediate family members and their affiliates in Client accounts, as well as the interests in the Client accounts of the Firm's employees, and Third North will not effect any cross trades between accounts if it believes that such trade would result in a principal transaction, unless Third North:

1. believes that such transaction is in the best interest of the Clients participating in the transaction; and
2. obtains the consent of the applicable Clients as required by the Advisers Act.

ITEM 12 - BROKERAGE PRACTICES

Third North typically has the authority to determine, without obtaining Client consent, (1) securities to be bought and sold, (2) amount of securities to be bought and sold, (3) the broker or dealer to be used, and (4) commission rates paid.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain "Best Execution," meaning generally the execution of a securities transaction for a Client in such a manner that a Client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers' full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollars

The Firm may use "Soft Dollars." In such cases, Soft Dollar credits, generated by the Clients' trading activities, would be used to purchase brokerage and research services or products that

would otherwise have been Client expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

Neither Third North nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, we may consider, among other things, capital introduction and marketing assistance with respect to Investors in the Clients in selecting or recommending broker-dealers for the Clients.

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a Client. Any research, services or property provided by a broker may benefit any client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

Trade Errors

Third North endeavors to detect trade errors prior to settlement and correct them in an expeditious manner. Third North's traders review trading records for the accounts on each business day. When a possible trade error is detected, the traders will notify the Chief Compliance Officer and they will review the applicable trade to determine if in fact an error did occur, the cause of the error, the effect of the error on the Client or Clients involved, and whether or not the error can be corrected prior to settlement.

In general, Third North will not be liable to a Client for net losses resulting from a trade error. However, to the extent any trading error occurs in the handling of Client transactions due to the Firm's actions or inaction, Third North shall use commercially reasonable efforts to promptly identify and, to the extent practicable, correct any such trade error in compliance with its trade error policies and procedures. Each potential error will be handled on a case by case basis and consistent with the applicable Client documents.

If a potential investment meets the investment criteria of the Fund and any other Client, such investment opportunity shall use commercially reasonable efforts to allocate the investment opportunity between the Clients in a manner that it reasonably believes is fair and equitable over time, taking into consideration such factors as investment restrictions and objectives of each Client, diversification, covenants and other limitations in their respective governing agreements, relative size of each Client, available cash, the nature of the opportunity in the context of each client's other positions at the time (including concentration considerations), risk tolerance, liquidity requirements, duration targets and/or constraints, existing asset allocation targets, minimum and maximum investment size, tax implications, and legal, contractual or regulatory constraints.

If a trade is allocated incorrectly (due to a misinterpretation, mistake, or mathematical error by the operations team, incorrect guidance by the trader, etc.), Third North's Portfolio Manager will attempt to reallocate the trade using the intended allocation methodology prior to the trade's settlement date. If a trade has settled, Third North may, subject to applicable law, within the same calendar month effect a cross trade between Accounts to correct the misallocation such that each Account would be in the position it would have been in had the misallocation not occurred. The reason for all reallocations will be appropriately documented by the Chief Compliance Officer (or

the Chief Compliance Officer's designee). If an erroneous allocation cannot be corrected prior to the end of the current month, any correcting trades will be reviewed in the determination of trade errors and their impact to the affected Accounts as set forth above. Third North may in its sole discretion, determine a trade error to be immaterial and take no action to rectify the error.

ITEM 13 - REVIEW OF ACCOUNTS

Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Funds to ensure that they conform with the investment objectives and guidelines that are stated in the Offering Documents. In these reviews, we pay particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

With respect to our Fund Clients, we will distribute annual audited financial statements with respect to the previous fiscal year to all Investors within 120 days of the relevant Fund's fiscal year end. We may also distribute other interim reports to Investors.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Third North currently does not receive an economic benefit for providing advice to its Clients from anyone other than its Clients. Third North currently does not compensate third parties for referring clients. Any future Client referral arrangement with a third party into which Third North enters will comply, to the extent required, with Rule 206(4)-3 under the Advisers Act.

ITEM 15 - CUSTODY

We are deemed to have custody of the Fund's funds and securities because we have the authority to obtain the Fund's funds or securities, for example, by deducting advisory fees from such Fund's account or otherwise withdrawing funds from such Fund's account.

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "Advisers Act") (i.e., the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board ("PCAOB"), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

Third North is not deemed to have custody of the Managed Accounts. All Managed Accounts are custodied at qualified custodians who provide periodic statements to the Clients.

ITEM 16 - INVESTMENT DISCRETION

Third North has full discretionary investment authority with respect to the Clients, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

ITEM 17 - VOTING CLIENT SECURITIES

Third North's primary investment strategy is to sell securities short, and, as a result, Third North typically will not have any rights to vote proxy proposals and corporate actions (collectively, "proxies") with respect to such securities.

To the extent that Third North is delegated the authority to vote proxies for a Client account, or invests in a security for a Client account for which a proxy vote may arise and receives timely notice of such proxy from the Client's broker under the terms of the applicable brokerage agreement, Third North will be guided by general fiduciary principles and will seek to treat proxies in a manner intended to enhance the overall economic value of the applicable Client's assets.

A Client may obtain a copy of Third North's proxy voting policy and obtain information about how Third North has voted the Client's securities by calling (646) 979-8199.

ITEM 18 - FINANCIAL INFORMATION

Third North is not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.