

ITEM 1 — COVER PAGE

Heard Capital LLC
CRD 297176

FORM ADV – PART 2A
Firm Brochure
March 26, 2024
www.heardcapital.com

Heard Capital LLC
1 North Wacker, Suite 3650
Chicago, IL 60606

This Brochure provides information about the qualifications and business practices of Heard Capital LLC (the “Adviser” or “Heard Capital”). If you have any questions about any of the information in the Brochure, please contact the Adviser’s Chief Compliance Officer, Erin Casey, at 312.786.5216 or ecasey@heardcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC or a state authority does not imply a certain level of skill or training.

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

ITEM 2 — MATERIAL CHANGES

This Brochure has been prepared by the Adviser and supersedes the prior version. There have been no material changes to note since the Adviser's last annual amendment on March 27, 2023. The Adviser encourages you to read this Brochure carefully in its entirety as the Adviser has made certain non-material revisions for additional clarity.

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ITEM 4 – ADVISORY BUSINESS

Firm Description and Principal Owners

Heard Capital was founded in 2010 and commenced operations in July 2011. As of the date of this Brochure, Heard Capital is owned 100% by Heard Investment Manager LLC, and the ultimate principal owner of Heard Investment Manager LLC is William Heard.

William Heard is the Chief Executive Officer, Chief Investment Officer and Founder of the Adviser. Erin Casey is the Chief Compliance Officer, General Counsel, and Chief Administrative Officer. Stephen Granstrand is the Chief Financial Officer and the Chief Operating Officer. Joseph Lee is a Partner and Head of Risk Management and Trading of the Adviser.

Clients and investors may review the SEC website at www.adviserinfo.sec.gov for more information regarding the Adviser's registration status.

Advisory Services

The Adviser provides investment management services on a discretionary basis to privately offered pooled investment vehicles exempt from registration under the Investment Company Act of 1940, as amended (the "Company Act"), each referred to herein as a "Fund" and collectively as the "Funds," as more specifically described below, and to separately managed accounts ("SMAs").

Funds

The Adviser serves as the general partner and the investment manager of Heard Opportunity Master Fund, L.P. (the "Opportunity Master Fund"). The Opportunity Master Fund is an exempted limited partnership formed under the laws of the Cayman Islands. It operates as a master fund in a master-feeder arrangement. The feeder funds investing in the Opportunity Master Fund are Heard Opportunity Fund LLC and Heard Opportunity Offshore Fund, Ltd. (together with the Opportunity Master Fund, the "Opportunity Funds"). Heard Opportunity Fund LLC is a Delaware limited liability company. Heard Opportunity Offshore Fund, Ltd. is an exempted company incorporated with limited liability under the laws of the Cayman Islands.

The Adviser serves as the manager and the investment manager of Heard High Conviction Long Only Fund LLC (the "Long Only Fund"). The Long Only Fund is a master fund in a mini-master arrangement. The mini fund investing in the Long Only Fund is Heard High Conviction Long Only Offshore Fund, Ltd. (together with the Long Only Fund, the "Long Only Funds"). Heard High Conviction Long Only Offshore Fund, Ltd. is an exempted company incorporated with limited liability under the laws of the Cayman Islands.

The Funds generally target investment opportunities in five sectors: technology, media, telecom, financials, and industrials. Pursuant to its investment management agreements with all the Funds, the Adviser has ultimate authority over all investment decisions and Fund affairs generally.

SMAs

The Adviser provides for the management of assets via SMA. The SMAs are designed in accordance with the investment objectives, mandates and/or guidelines of each client as set forth in the written investment management agreements, or similar agreements, governing such SMA relationships.

Tailoring of Advisory Services and Client Imposed Restrictions

The Funds are managed according to the strategies, objectives and investment programs set forth in each Fund's constituent documents, including applicable private placement memoranda. Investors in any of these

Funds should refer to the Fund's constituent documents for information about a given Fund's strategies, objectives and investment program. The Adviser generally does not take the specific circumstances of individual investors in a Fund into account in making investment decisions for such Fund. The Adviser offers individualized investment advice to its SMA clients. SMA clients may be permitted to impose restrictions on investing in certain securities or transactions, provided that such restrictions are transmitted to the Adviser in writing.

Wrap Fee Programs

The Adviser does not participate in wrap fee programs by providing portfolio management services.

Client Assets Managed

As of December 31, 2023, Heard Capital managed approximately \$1,651,430,029 in client assets on a discretionary basis. Heard Capital does not manage client assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Funds

The Adviser receives a management fee and an incentive allocation as compensation for providing investment advisory services to the Funds. The Funds' management fees, incentive allocations and other compensation payable to the Adviser are disclosed in the Private Placement Memorandum of each of Heard Opportunity Fund LLC, Heard Opportunity Offshore Fund, Ltd. and the Long Only Funds (each, a "Private Placement Memorandum" and collectively, the "Private Placement Memoranda"), as well as the interest class supplements for the Long Only Funds (each, an "Interest Class Supplement" and collectively, the "Interest Class Supplements").

In general, the Funds will debit from each capital account and pay to the Adviser a management fee in advance, determined as of the first day of each calendar month for the Opportunity Funds and the first day of each calendar quarter for the Long Only Funds. For the Opportunity Funds, as of the date of this Brochure, the management fee can be as high as 0.167% of the net asset value ("NAV") of each capital account, based on terms specified in the applicable Private Placement Memoranda, determined as of the first day of the calendar month (2% annually). The Management Fee for the Long Only Funds varies by class. As of the date of this Brochure, the Long Only Funds' Management Fees can be as high as 0.25% of the NAV of each capital account, based on terms specified in the applicable Private Placement Memoranda, determined as of the first day of the calendar quarter (the quarterly equivalent of 1% per annum).

The management fees for the Funds are non-negotiable, however the Adviser's agreement with each Fund gives the Adviser the discretion to vary these fees or to agree to a different management fee arrangement in respect of any capital account of a member or waive or reduce the management fee in respect of any capital account of a member. This will not entitle the investor that holds such capital account, or any other investor, to such a different arrangement, waiver or reduction in respect of any other capital account. The Adviser does not charge management fees against any capital account established for the Adviser or its members or employees. Management fees are calculated after taking into account any Fund level expenses and are deducted from investors' capital accounts and are payable regardless of the overall success or income earned by the Funds.

Investors in the Funds pay their pro rata share of costs and expenses the Adviser reasonably determines to be necessary, appropriate, advisable or convenient to effect the Funds' formation, carry on their business and realize their objectives, including: (i) Fund organizational and initial offering expenses; (ii) management fees; (iii) costs and expenses incurred in connection with the offer and sale of interests or shares in a Fund (as applicable); (iv) costs and expenses incurred by the Adviser while traveling on a Fund's behalf; (v) costs and expenses incurred by the Adviser in connection with investigating investment opportunities for a Fund and

reviewing the continued suitability of a Fund's investments in light of such Fund's investment objectives, including payments to unaffiliated third-party research firms; (vi) expenses related to third-party software systems including but not limited to order management and execution, portfolio accounting, risk management, anti-money laundering, Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and compliance software; (vii) costs and expenses incurred in connection with the investment and reinvestment of Fund assets, including brokerage commissions, dealer mark-ups, mark-downs and spreads, and related clearing and settlement charges; (viii) all custodial, administrative, cybersecurity, information technology, legal, accounting, auditing, record-keeping, tax form preparation, compliance, proxy voting and consulting costs and expenses (including costs and expenses associated with obtaining systems and other information designed to facilitate Fund accounting, record-keeping, and/or the operation and maintenance of information systems, including related hardware and software); and fees, costs and expenses of third-party service providers that provide such services; (ix) expenses associated with providing information to risk aggregators; (x) costs of examination and regulatory inquiries and filings; (xi) legal costs and expenses incurred in connection with any threatened, pending or anticipated litigation, examination or proceeding; (xii) costs and expenses, including printing and mailing costs and expenses related to third-party software systems, associated with preparing investor notices and communications; (xiii) governmental licensing, filing and exemption fees; (xiv) indemnification obligations as set forth in the applicable Fund governing documents and (xv) extraordinary expenses (if any). Certain expenses may be allocated to fewer than all capital accounts. Expenses that relate to a Fund and one or more of the SMA clients will be allocated on a pro rata basis each month on the basis of such Fund's and such other clients' respective net asset values.

In good faith and in its fair and reasonable discretion, the Adviser determines on a case-by-case basis whether an expense should be borne by the Adviser or by the Funds in accordance with the Private Placement Memoranda and with the Adviser's internal policies and procedures. Expenses paid by the Funds on an annual basis, excluding management fees, organizational expenses and certain extraordinary expenses, will not exceed 0.5% of the net assets of a Fund (the "Expense Cap"). Applicable expenses incurred by or allocable to the Funds in excess of the Expense Cap will be borne by Heard Capital.

Investors are advised that the Funds are subject to substantial fees, transaction costs and other costs, and other expenses, regardless of whether they realize any profits. Accordingly, the Funds must earn substantial trading profits to avoid depletion of their assets due to such costs and expenses.

If an investment in a Fund is redeemed at any time other than at the end of a fiscal year, any accrued expenses will be paid to the Adviser at such time. In addition, the Funds contains lock up and redemption provisions as further described in the Private Placement Memoranda. Investors should refer to the Private Placement Memoranda for a complete understanding of the fees, costs, expenses and related terms that apply.

The Adviser may enter into side letters or other similar agreements with certain investors (without the approval of any other investors) in connection with such investors' admission to a Fund. Such side letters or similar agreements may establish different rights or privileges applicable to such investors, including with respect to management fees and/or incentive allocations.

SMA's

The Adviser receives a management fee and, in certain instances, an incentive allocation as compensation for providing investment advisory services to SMA's. The Adviser does not have a standard fee schedule. SMA's management fees, incentive allocations and other compensation payable to the Adviser are determined at the time of the establishment of the SMA's and are disclosed to investors prior to making an investment. Each SMA fee agreement is governed and paid in accordance with the applicable investment management agreement governing the SMA. The fee(s) may vary depending on account size, management style, investment restrictions and other criteria. The Adviser shall charge incentive fees only to clients meeting the requirements of Rule 205-3 of the Investment Advisers Act of 1940 (the "Advisers Act").

If a client contributes assets to a SMA on a date other than the first day of a quarter, as the case may be, the SMA shall be charged a prorated portion of the management fee for that quarter with respect to such contribution, based on the number of days remaining in that quarter and based on the value of the contributed assets on the last day of such quarter.

If a client withdraws all or a portion of the assets from the SMA, whether on termination of the applicable investment management agreement or otherwise, on any date other than the last day of a quarter, as the case may be, the management fee paid for that quarter with respect to the portion withdrawn shall be prorated based on the number of days elapsed and the value of the assets withdrawn in that quarter.

The administrator and/or custodian utilized by each SMA client will be responsible for determining the NAV of the SMAs, and such calculation shall be confirmed by the SMA client and the Adviser in good faith.

The Adviser negotiates terms relating to the payment of expenses by SMA clients on a client-by-client basis, however a SMA client should expect to bear all investment expenses relating to its SMA, including, but not limited to: (i) all expenses incurred in connection with the acquisition and disposal of assets, as well as purchases and sales of assets for the SMA, including brokerage commissions, issue and transfer taxes, administration fees, custodial fees, and bank service fees; (ii) its pro rata share of (A) costs incurred from investigating investment opportunities for the SMA and any of the Funds that pursue a substantially similar investment strategy as the SMA, (B) proxy voting and compliance, and (C) expenses for third party systems including order management and execution, risk management, compliance and reporting; (iii) audit and administration expenses; and (iv) any other reasonable expenses (including legal fees) related to the management of the SMA. Brokerage expenses shall be itemized and allocated by Heard Capital as reasonably required by SMA clients upon request. SMA clients may also bear the pro rata share of certain of the Adviser's operating and other expenses, per the terms of the investment management agreement governing such SMA client.

SMA clients are hereby advised that lower fees for comparable services may be available from other sources. Further, SMA clients are encouraged to review separate confirmations and statements prepared and delivered by the SMA client's custodian to understand the costs and fees associated with the SMA.

It is critical that clients and prospective clients refer to all applicable Private Placement Memoranda, Interest Class Supplements and investment management agreements for a complete understanding of how the Adviser is compensated for its advisory services and associated fees and expenses. The information contained in this Brochure is a summary only and is qualified in its entirety by those documents.

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

Performance-Based Fees

As discussed in Item 5, the Adviser is entitled to receive incentive allocations from the Funds and, in certain instances, from SMAs. The Funds and SMAs may have different incentive allocation calculations. Depending upon the specific Fund, the terms associated with a specific share or interest class, or investment option of the particular client, incentive allocations are generally calculated on net profits above a certain benchmark or hurdle as specified in each Fund's respective Private Placement Memorandum or in applicable investment management agreements. The Adviser charges performance-based fees only to qualified clients as defined in Rule 205-3 of the Advisers Act.

The Adviser may agree, in its sole discretion, to a different incentive allocation arrangement in respect of any Fund investor's capital account or waive or reduce incentive allocations in respect of any capital account. This will not entitle the investor that holds such capital account, or any other investor, to such different arrangement, waiver or reduction in respect of any other capital account. The Adviser does not intend to debit incentive

allocations from any capital account established for the Adviser or its members or employees.

Incentive allocations made to the Adviser are determined based upon the value of Fund assets or SMA assets, as applicable, including value attributable to unrealized appreciation. Thus, incentive allocations may be made to the Adviser based on positions that were profitable at the time of such fees but unprofitable when eventually liquidated.

Side-By-Side Management

The Adviser accepts performance-based compensation from every Fund and, in certain instances, from SMAs. The Adviser recognizes that managing Funds and SMAs with differing terms relating to performance-based fees presents potential conflicts of interest, including that the Adviser may have an incentive to favor one client over another when allocating investment opportunities. Clients should be aware that incentive or performance-based fee arrangements may create an incentive for Heard Capital to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Furthermore, Heard Capital may have clients who do not pay incentive or performance-based fees which could create an incentive for Heard Capital to favor accounts that do pay such fees because compensation received from performance-based fee clients is more directly tied to the performance of their accounts.

The Adviser has established policies and procedures reasonably designed to mitigate any such conflicts of interest, including by maintaining a Code of Ethics as described in Item 11 below, and by implementing “best execution,” order aggregation and allocation policies and procedures designed to allocate investment opportunities on a fair and equitable basis. Best execution and trade aggregation and allocation are further addressed in Item 12 below. Ultimately, the Adviser believes that performance-based fee arrangements align the Adviser’s interests with the interests of clients who are subject to those fees.

ITEM 7 – TYPES OF CLIENTS

The Adviser provides investment advisory services to the Funds and the SMAs. Admission to the Funds is not open to the general public, and each investor must meet the eligibility provisions and minimum contribution amounts as described in the applicable Private Placement Memoranda and subscription documentation. Investors must generally be “accredited investors” as defined in the Securities Act of 1933, as amended (the “Securities Act”), and “qualified clients” as defined in Rule 205-3 of the Advisers Act. The Adviser’s SMA clients include, and may include, pension and profit-sharing plans, charitable organizations, foundations, endowments and other institutional clients.

Generally, as of the date of this Brochure, investors in the Funds are subject to a minimum investment of \$1,000,000. The Adviser is permitted to raise or lower this minimum from time to time and accept initial capital contributions below the established minimum in its discretion. The SMAs and any future SMAs are subject to significant account minimums. While the Adviser may, as an accommodation, accept SMAs that have fewer assets, as of the date of this Brochure the Adviser seeks clients with investable assets of at least \$50 million.

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

Methods of Analysis

In providing investment advisory services, the Adviser conducts extensive analysis of the fundamentals of securities and their respective industries before recommending them for inclusion in a client account. The Adviser’s analysis includes, amongst other factors, analysis of financial performance, management team experience, assessment of the competitive landscape, industry outlook and drivers, legal and regulatory conditions as applicable, general economic conditions and other factors which could impact securities’ performance. In addition, the Adviser conducts risk analytics on each position considered for inclusion in the portfolio. While a number of different factors, data and information are considered and used by the Adviser in making securities

selection decisions, the primary method used by Adviser is fundamental analysis.

Investment Strategies

Opportunity Funds

The Opportunity Funds generally target investment opportunities in five sectors: technology, media, telecom, financials, and industrials. The Opportunity Funds' portfolio is constructed by analyzing the debates the Adviser believes are relevant to an industry or company and utilizing bottom-up, fundamental analysis to identify securities that it believes are best positioned to answer such debates over the long term. Typically, the Adviser targets opportunities in securities in which the market's expectations differ from the Adviser's view. The Adviser seeks to establish long positions in companies which it believes possess one or more of the following characteristics: superior growth prospects, a history of successful capital allocation, an entrenched competitive position with limited barriers to entry, a seasoned management team with aligned interests with shareholders, ample liquidity and strong recurring cash flow. The Opportunity Funds also maintain short positions. The Adviser targets short positions in companies which it believes display weak fundamentals, face threats from increasing competition, have poor leadership and lack of alignment with shareholder interests, and/or have a poor capital allocation policy. The Opportunity Funds may also establish short positions in indexes or similar securities for hedging purposes.

The Adviser pursues the Opportunity Funds' objectives by making investments in public equity markets. The Opportunity Funds invest in listed equities, options, and other derivative instruments. The Opportunity Funds may leverage their capital through bank borrowings, swaps and other derivatives, as well as trading of stock on margin, futures and other means.

The Opportunity Funds' investment strategies are speculative and entail substantial risk of loss. Although the above sets forth certain general investment strategies, the Opportunity Funds may undertake additional strategies or investments consistent with their overall investment objective. There can be no assurance that the investment objectives of the Opportunity Funds will be achieved. Accordingly, the Opportunity Funds' strategies could result in substantial losses under certain circumstances.

The Opportunity Funds are offered by prospectus only.

Long Only Funds

The Long Only Funds generally target investment opportunities in five sectors: technology, media, telecom, financials, and industrials. The Long Only Funds' portfolio is constructed by analyzing the debates the Adviser believes are relevant to an industry or company and utilizing bottom-up, fundamental analysis to identify securities that it believes are best positioned to answer such debates over the long term. Typically, the Adviser targets opportunities in securities in which the market's expectations differ from the Adviser's view. The Adviser seeks to establish long positions in companies which it believes possess one or more of the following characteristics: superior growth prospects, a history of successful capital allocation, an entrenched competitive position with limited barriers to entry, a seasoned management team with aligned interests with shareholders, ample liquidity and strong recurring cash flow.

The Adviser will generally pursue the Long Only Funds' objectives by making investments in publicly listed equity securities. The Adviser does not use leverage as part of the Long Only Funds' investment strategy, and the Long Only Funds will not purchase securities on margin.

The Long Only Funds' investment strategies are speculative and entail substantial risk of loss. Although the above sets forth certain general investment strategies, the Long Only Funds may undertake additional strategies or investments consistent with their overall investment objective. There can be no assurance that the investment

objectives of the Long Only Funds will be achieved. Accordingly, the Long Only Funds' strategies could result in substantial losses under certain circumstances.

The Long Only Funds are offered by prospectus only.

SMAs

The SMA's have a similar strategy as the Long Only Funds, however in all cases, the Advisor invests subject to the investment guidelines and/or restrictions set forth in the investment management agreements governing the SMA's. The investment risks below may also apply to the activities of the SMA's. However, additional risks may be relevant to SMA's and future SMA's whose investment strategies differ from those of any Funds.

Risk of Loss

The Adviser's investment strategies and investment techniques are speculative and entail substantial risk of loss. Although the above sets forth certain general investment strategies, the Adviser may undertake additional strategies or investments consistent with its overall investment objective. Although the Adviser will use what it considers seasoned investment research techniques and risk management strategies in investing and trading for its clients, any investment should be considered speculative and involves substantial risk. There can be no assurance that the investment objectives of the Adviser will be achieved. Accordingly, the Adviser's strategies could result in substantial losses under certain circumstances.

Prospective clients and investors should be aware of certain special considerations and risk factors, which include, but are not limited to, the following:

- General Investment Risk: All investments in securities and other financial instruments involve substantial risk of volatility (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond the control of the Adviser, such as changing market sentiment; changes in industrial conditions, competition and technology; changes in inflation, exchange or interest rates; changing domestic or international economic or political conditions or events; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their central banks). Changes such as these, as well as innumerable other factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements. Unexpected volatility or illiquidity in the markets in which clients hold positions could impair the ability to achieve client objectives and cause clients to incur losses. Although the Adviser believes that its careful selection and monitoring of investments should mitigate the risk of loss, an investment in a Fund or SMA is nevertheless subject to loss, including possible loss of the entire amount invested. No guarantee or representation is made that any investment strategy will be successful. The Funds' and SMA's investment results may vary substantially over time.
- Equity Securities: Equity investments are volatile and will increase or decrease in value based upon issuer, economic, market and other factors. Small capitalization stocks generally involve higher risks in some respects than do investments in stocks of larger companies and may be more volatile. The securities of non-U.S. issuers also involve a high degree of risk because of, among other factors, the lack of public information with respect to such issuers, less governmental regulation of stock exchanges and issuers of securities traded on such exchanges and the absence of uniform accounting, auditing and financial reporting standards. The non-U.S. domicile of such issuers and currency fluctuations may also be factors in the assessment of financial risk to the investor. Foreign securities markets are often less liquid than U.S. securities markets, which may make the disposition of non-U.S. securities more difficult. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile.

- Use of Leverage: To effectuate the Opportunity Master Fund's investment strategy, the Opportunity Master Fund may borrow cash to purchase financial instruments (*e.g.*, traditional margin purchases). Additionally, the Opportunity Master Fund may purchase inherently leveraged instruments such as financial futures contracts, options, forward contracts and swaps. The level of interest rates generally, and the rates at which the Adviser can borrow for the Opportunity Master Fund, in particular, are likely to have a substantial effect on the Opportunity Master Fund's performance to the extent it borrows. If the interest expense on borrowings – which ordinarily will fluctuate from time to time depending on market conditions – were to exceed the net return on the portfolio securities purchased with the borrowed funds, the use of leverage would result in a lower rate of return than if leverage were not used. Moreover, to the extent the Opportunity Master Fund purchases securities with borrowed funds, its NAV will tend to increase or decrease at a greater rate than if borrowed funds were not used, and a relatively small price movement in a position could result in immediate and substantial losses. In a given market setting, securities that the Opportunity Master Fund sells short may rise in value while the value of the Opportunity Master Fund's long positions may decline, resulting in a situation in which leverage compounds losses. To the extent the Opportunity Master Fund borrows, its borrowings typically will be secured by a pledge of its securities and other assets to the brokers who have extended the credit. Under certain circumstances, a lender might demand an increase in the collateral that secures the Opportunity Master Fund's obligations and, if the Opportunity Master Fund were unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy those obligations. For example, if assets pledged to a broker to secure the Opportunity Master Fund's margin trading activities should decline in value, the Opportunity Master Fund could be subject to a margin call, pursuant to which it must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a sudden precipitous drop in the value of its assets, the Opportunity Master Fund might not be able to liquidate sufficient assets quickly enough to meet a margin call. A forced liquidation of assets under these circumstances could have extremely adverse consequences for the Opportunity Master Fund. As a general matter, the prices of leveraged instruments can be highly volatile, and investments in leveraged instruments may, under certain circumstances, result in losses that exceed the amounts invested.
- Short Selling. The Opportunity Master Fund expects to sell securities short, which involves the sale of borrowed securities. In order to sell a security short, the Opportunity Master Fund must borrow the security from a securities lender and deliver it to the buyer. The Opportunity Master Fund is then obligated to return the security to the lender at its request (although the Opportunity Master Fund remains free to return the security to the lender at any time prior to the lender's request). The Opportunity Master Fund expects to ordinarily fulfill its obligation to return a security previously sold short by acquiring it in the open market. A short sale by the Opportunity Master Fund will ordinarily involve a judgment on the Adviser's part that, subsequent to the sale, the price of the security will fall over time, resulting in profits equal to the difference between the net proceeds of the sale and the cost of acquiring the security (or a security exchangeable for or convertible into such security) at a later date to fulfill the obligation to return the security to the lender. The principal risk in selling a particular security short is that, contrary to the Adviser's expectation, the price of the security will rise, resulting in a loss equal to the difference between the cost of acquiring the security (for return to the lender) and the net proceeds of the short sale. (This risk of loss is theoretically unlimited, since there is theoretically no limit on the price to which the security sold short may rise.) Another risk is that the Opportunity Master Fund may be forced to unwind a short sale at a disadvantageous time for any number of reasons. For example, a lender may call back a stock at a time the market for such stock is illiquid or additional stock is not available to borrow. In addition, some traders may attempt to profit by making large purchases of a security that has been sold short. These traders hope that, by driving up the price of the security through their purchases, they will induce short sellers to seek to minimize their losses by buying the security in the open market for return to their lenders, thereby driving the price of the security even higher. In certain cases, the Adviser may find it difficult if not impossible to establish a desired short position because of a limited supply of the security available for borrowing. In these cases, the Adviser may be compelled to forego a potentially profitable investment opportunity.

- Long-Short Trading. Taking long and short positions in related securities presents unique investment risks. These risks include the risk that the Adviser may fail to notice a fundamental change in the relationship between the two securities or groups of securities and cause the Opportunity Master Fund to enter positions when the prices are not likely to move in tandem. This can happen when, for example, there is a fundamental change in one of the securities as a result of which the price level changes permanently.
- Epidemics, Pandemics and Market Disruption: Investment objectives may be materially affected by conditions in the global financial markets and economic conditions or events throughout the world that are outside of the Adviser's control including, but not limited to, economic uncertainty, slowdown in global growth, changes in laws (including laws relating to taxation and regulations on the financial industry) due to disease, pandemics or other severe public health events, including related trade and travel barriers, volatility in commodity prices, currency exchange rates and controls and other national and international political circumstances. In 2019 an outbreak worldwide of the highly transmissible and pathogenic novel coronavirus (COVID-19) occurred, which the World Health Organization declared to be a pandemic. A continued or renewed escalation in the COVID-19 outbreak could see a continual and rapid decline in global economic growth. The outbreak may continue to adversely affect general commercial activity and the economies and financial markets of many countries, including through supply chains from affected countries, and such disruption may continue for a sustained period of time. The COVID-19 pandemic and its aftermath may continue to affect the level and volatility of securities prices, the liquidity and the value of investments and the operations of the Adviser and have a material adverse effect on client objectives. In addition, certain governmental regulators have imposed limitations on short sales of equity securities, which may impact the Adviser's ability to trade in certain equities and/or equity index derivatives. In addition, in response to the spread of COVID-19, many businesses have encouraged, or mandated that their personnel work from home in an effort to help slow the spread of the coronavirus pandemic. Notwithstanding such precautionary measures, the Adviser may still experience a significant increase in illness of its personnel. To the extent personnel, as a result of working remotely, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, that business will likely be more vulnerable to incidents and cyberattacks and could have more difficulty resuming normal operations in the event it is the target of such incident or attack.
- Uncertain Economic, Social and Political Environment: Consumer, corporate and financial confidence could be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, the rise of populist political parties and economic nationalism, national or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence could lead to or extend a national or global economic downturn. Additionally, these factors create greater regulatory uncertainty, for example, regarding the posture of governments with respect to taxation, international trade and law enforcement. A climate of uncertainty could reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty or general economic downturn could have an adverse effect upon investments, as could negative regulatory developments.
- Cybersecurity Risks. Cybersecurity incidents and cyberattacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Cybersecurity risks for investment funds have significantly increased in recent years in part because of the proliferation of new technologies, the use of the internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state actors. Furthermore, the Funds, SMAs and/or the Adviser may be the targets of a cyberattack because they process transactions of substantial monetary value and maintain and store significant amounts of confidential, proprietary, sensitive, personal and other nonpublic information. The Adviser has procedures and systems in place that endeavor to protect its and its clients' data and information, to protect its infrastructure, and to

prevent cybersecurity incidents. However, such measures cannot guarantee absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or otherwise sabotage electronic systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network-connected services provided by third parties to the Funds, SMAs and/or the Adviser may be susceptible to compromise, leading to a network breach. Online services provided by the Adviser to its investors may also be susceptible to compromise. The Adviser's third-party service providers are subject to the same cybersecurity threats. While the Funds and the Adviser perform cybersecurity diligence on their key service providers, it is important to note that if a service provider fails to adopt or adhere to adequate data security procedures, or if despite such procedures its networks are breached, information relating to client transactions and/or personal data of clients may be lost or improperly accessed, used or disclosed. Cyberattacks or other cybersecurity breaches (including unauthorized data access by insiders), whether directed at a Fund, SMA and/or the Adviser or third parties, may result in material losses and/or have other material consequences which may not be covered by insurance policies. Such cyberattacks or other security breaches could result in substantial monetary losses, the unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary, sensitive, personal and other information of the Funds, SMAs and/or the Adviser, their employees, customers or members, or of third parties. Such cyberattacks or other security breaches could also result in liability to third parties, exposure to legal claims, regulatory intervention or reputational damage or otherwise materially disrupt business operations. The public perception that a Fund, SMA and/or the Adviser or their respective third-party service providers have been the target of a cyberattack or other cybersecurity breach, whether successful or not, also may materially adversely affect the Funds, SMAs and/or the Adviser, depending on the nature and severity of the attack.

- Strategy Risk: The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. An investment in a Fund or SMA involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that any investment strategy will be successful.
- Risk of Dependence on Technology: The Adviser relies on computer programs and systems (and may rely on new systems and technology in the future) in connection with investment activities, including, without limitation, to generate trading signals, to execute trades, to evaluate certain investments based on real-time information, and to generate risk management and other reports that are critical to the oversight of client activities. In addition, certain of the Adviser's operations interface with or depend on systems operated by third parties such as the Funds' administrator, market counterparties and other service providers. The dependence on computers and telecommunications technology implies the risk of malfunction and misprogramming, and successful operation of such technology and systems is often outside of the Adviser's control. Defects, failures, or interruptions could have a material adverse effect on the Adviser and client investment objectives.
- Dependence on Key Personnel: The success of the Funds' and SMAs' investment programs will depend on the ability of the Adviser's CEO/CIO, William Heard, to develop and implement investment strategies that achieve investment objectives. If Mr. Heard were to become unable to participate in the management of the Funds and the SMAs, the consequences could be material and adverse. The past performance of the Funds, the SMAs, the Adviser and Mr. Heard is no guarantee of future performance. There can be no assurance that the Funds or SMAs will achieve their investment objectives or provide a return to investors.
- Changing Market Conditions: The success of investment activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of investments), market structure, trade barriers, currency exchange controls, national and international political circumstances (including wars, terrorist acts, or security operations), and the occurrence of various events (including hurricanes, earthquakes,

and other natural disasters). These factors affect the level and volatility of securities prices and the liquidity of investments, including, without limitation, common equity and related equity derivative instruments, high-yield securities, convertible securities and derivatives, including futures and option prices, which can be highly volatile. During periods of limited liquidity and higher price volatility, the Adviser's ability to acquire or dispose of its investments at a price and time that the Adviser deems advantageous may be impaired. In addition, certain changes in general market conditions — for example, markets in which new inputs or an influx of new market participants disrupt the historical relationship between econometric factors and equity price movements — could materially reduce clients' profit potential.

- Changes in Market Environment: Certain of the trading strategies employed by the Adviser make certain assumptions about the persistence of the market environment: the models assume that repeated past behavior of the markets can be used to predict the future, at least in limited ways. These strategies are developed by simulating the performance of a given strategy over historical data. At their core, financial and economic patterns are not immutable and there can be no guarantees that the relationships that appeared to govern financial instruments and their prices in the past will continue in the future. While the Adviser will make efforts to estimate and control the risks associated with market changes, and will attempt to identify changes as they occur, market environment changes can be sudden and extreme. When these changes occur, certain market dynamics can make the changes more severe and can cause their adverse effects to spread to other markets not affected by the initial changes. In particular, events can cause other market participants to liquidate large positions in a short period of time in order to raise capital, reduce risk or meet margin calls. To the extent that these market participants hold positions in a portfolio of strategies similar to that of the Funds or SMAs, all of these strategies may begin to exhibit adverse returns and correlations not seen under normal markets, even if the initial changes were in markets in which the Funds or SMAs were not involved. Unusual market developments can and have resulted in returns that are not consistent with the past performance or correlation of trading strategies employed.
- Currency Risks: Although the Funds and SMAs will normally invest and receive any returns on such investment in U.S. Dollars, assets may be invested in securities and other financial instruments denominated in other currencies. Even if the trading of funds may be profitable in such currencies, such profits may be reduced or eliminated, or the underlying funds could experience losses, because of adverse currency fluctuations between U.S. Dollars and the denominated currencies of the traded instruments. The Adviser may attempt to mitigate the risks associated with currency fluctuations at times by entering into, when available, forward or options contracts or by the purchase or sale of foreign currencies in connection with the acquisition, holding or disposition of investments, but is not obligated to do so. In addition, investments may be adversely affected by the imposition of unfavorable mandatory exchange rates with respect to, or other limitations or prohibitions on, the exchange or repatriation of currencies in which the Funds or SMAs hold positions or in which securities or other investments of the Funds or SMAs are denominated.
- Portfolio Turnover: While the length of time a Fund or SMA holds a particular security will be a consideration in investment decisions for both performance and tax efficiency reasons, a Fund's or SMA's investment policies may change or could lead to frequent changes in such Fund's or SMA's investments, particularly in periods of volatile market movements or for other reasons, e.g. a change in tax laws. The length of time a Fund or SMA has held a particular security will generally not, however, be a consideration in investment decisions. The Funds' and SMAs' investment policies may lead to frequent changes in the Funds' investments, particularly in periods of volatile market movements. Portfolio turnover generally involves some expense to the Funds or SMAs, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of securities and reinvestment in other securities. The Funds' and SMAs' annual portfolio turnover rate may exceed 100%.
- "Uninvested" Capital: The Adviser may from time to time invest assets of a Fund or SMA in high quality short-term instruments such as U.S. Treasury securities because suitable investments are not

then available or margin deposits are required. It is not possible to determine or even estimate the degree to which assets will be “uninvested” from time to time, but the percentage of Fund or SMA assets invested in short-term instruments may be high. Such periods of “uninvestment” may have a negative impact on the Funds’ and SMAs’ rates of return.

- Suspensions of Trading: Securities and futures exchanges typically can suspend or limit trading in any instrument traded on the exchange. A suspension or limitation of trading could render it impossible to liquidate a position or positions in a timely manner. A delay in exiting a position or positions could expose investors to losses with respect to such position(s), which could increase as the delay continues.
- Failures of Exchanges and Clearinghouses: The Funds and SMAs are subject to the risk of the failure of any of the exchanges on which their respective positions trade or of the clearinghouses for such exchanges.
- Failure of Custodians: Financial institutions such as broker-dealers and banks will have custody of Funds’ and SMAs’ assets, including margin deposits. Often these assets will not be registered in the name of the relevant Fund or SMA. Financial difficulty, fraud or misrepresentation at one of these institutions could impair the operational capabilities or capital position of the Funds and/or SMAs.
- Broad Investment and Trading Mandate: The Fund governing documents and SMA investment management agreements do not impose significant restrictions on the Adviser’s investing and trading for the Funds or SMAs, and permit the Funds and SMAs to invest and trade in a broad range of securities and other financial instruments. The Adviser expects that, under market conditions as of the date of this Brochure, the Funds and SMAs will focus on the investment strategies described in the Private Placement Memoranda and investment management agreements, as applicable. The Adviser, however, may engage in other strategies from time to time (either in lieu of or in addition to the strategies described in the Private Placement Memoranda or investment management agreements) to take advantage of changing market conditions and investment opportunities, without notice to Fund or SMA investors. This could involve changes in the types of securities and other instruments in which the Funds or SMAs trade and invest, as well as changes in the markets in which such securities and other instruments trade. There can be no assurance that pursuing other strategies, either in lieu of or in addition to the strategies described in the Private Placement Memoranda or investment management agreements, would be successful or not result in losses.
- No Minimum or Maximum Capitalization of Funds: The Funds are not subject to any minimum level of capitalization before commencing trading or to any maximum capitalization limit. If the Funds are not able to raise sufficient funds, they may be limited in the number of investments they can purchase and may not be able to diversify their holdings.
- Fund Dependence on the Adviser and Key Personnel: The Adviser has overall responsibility for managing the business and affairs of the Funds as well as the responsibility for making all investment and trading decisions for the Funds, which it may delegate. No Fund investor, in its capacity as such, may take part in the management or conduct of the business or affairs of a Fund or transact any business in the name of or otherwise for or on behalf of a Fund. As a result, the success of the Funds’ investment programs depends to a great extent on the investment skills of William Heard. The performance of the Funds could be adversely affected if, because of illness, resignation or other factors, the services of Mr. Heard were not available for any significant period of time.
- Return of Fund Distributions: No Fund investor, in its capacity as such, will be personally liable for the debts, liabilities, obligations or commitments of a Fund, and each interest or share in a Fund (as applicable), when issued and fully paid for in accordance with the provisions of the related subscription agreement, will be fully paid and nonassessable. However, if a Fund incurs a withholding tax or other tax obligation with respect to the share of Fund income allocable to any capital account, and if the amount of any such obligation exceeds the balance of such capital account, then the Fund investor that holds such capital account must, upon demand by the Adviser, pay to such Fund, as a capital contribution, an amount equal to such excess. In addition, a Fund investor will be required to return

to a Fund amounts previously distributed to it by such Fund, together with reasonable interest on such amounts determined by the Adviser in its reasonable discretion, under certain limited circumstances, such as where: (i) the amount previously distributed was distributed in violation of the Delaware Limited Liability Company Act or was distributed in error due to a miscalculation of a Fund's net assets; (ii) the Adviser determines that a particular liability or expenditure that becomes fixed or is incurred in an accounting period subsequent to the accounting period in which the distribution was made is properly chargeable to such prior accounting period; or (iii) the amount previously distributed is necessary to satisfy such investor's pro rata share of a Fund's obligation to indemnify the Adviser and its related parties, subject to certain limitations as set forth in the Private Placement Memoranda.

- Withholding of Fund Distributions: Under certain circumstances, the Adviser may find it necessary upon withdrawal by one of the Fund investors to establish a reserve for contingent liabilities and withhold a certain portion of such Fund investor's capital account. In addition, at any given time, a Fund may not be able to liquidate sufficient assets to make required payments to withdrawing Fund investors or to satisfy all of its obligations upon dissolution.
- Fund Exculpation and Indemnification: Funds will broadly exculpate the Adviser and its principals and affiliates from certain liabilities to which they might otherwise be subject, and broadly indemnify them against certain losses incurred by them in managing and conducting the business and affairs of the Funds and in making investing and trading decisions for the Funds.
- Amendment of Fund Governing Documents: The Adviser may amend certain Fund governing documents, including the limited liability company agreements governing applicable Funds, without Fund investor approval for certain tax and regulatory purposes, but may not affect any such amendment that would modify the limited liability of a Fund investor, or materially reduce the increases and decreases of a Fund's net assets or the amount of distributions to which a Fund investor is entitled under such agreements, without the consent of such Fund investor. Similarly, the Adviser may amend such agreements without Fund investor approval for such other purposes as the Adviser may reasonably determine to be necessary, appropriate, advisable or convenient to the management and conduct of the business and affairs of the Funds, but may not affect any such amendment that has the effects described above or has, or could reasonably be expected to have, a materially adverse effect on the Funds or the Fund investors generally, unless the Adviser obtains the consent of the Fund investors. In these situations, the Adviser may obtain Fund investors' consent by way of "negative consent." Under this procedure, the Adviser would inform Fund investors of the proposed amendment no later than thirty (30) days prior to the implementation of the amendment, and the amendment would be deemed to be approved if a majority in interest of the Fund investors who are not affiliated with the Adviser fail to object to such amendment within that time frame. For this purpose, a Fund investor who has a right to redeem its entire interest in a Fund prior to the proposed implementation of such amendment would automatically be deemed not to have objected to such amendment. The Adviser may also use the "negative consent" procedure for other purposes, such as obtaining consent to: (i) actions and practices involving actual or potential conflicts between the interests of the Adviser or any of its related parties, on the one hand, and a Fund or its investors, on the other hand and (ii) the admission of an additional managing member in situations where the admission of an additional managing member would result in a change in the actual control or management of a Fund. The Adviser may not amend Fund governing documents in a manner that has or could reasonably be expected to have a material adverse effect on one or more specific Fund investors without the consent of the affected investors. Except as described above, Fund investors have no voting or consent rights.
- Withdrawal and Expulsion of the Adviser from a Fund: The Adviser may withdraw virtually all of its capital account from any Fund at any time, without notice to Fund investors. The Adviser may withdraw as the managing member of a Fund upon giving not less than ninety (90) days' prior written notification to the Fund investors. In that case, the Adviser may withdraw the entire balance of its capital account from such Fund. No Fund investors, individually or collectively, have any right, power or authority to remove or expel the Adviser, cause the Adviser to withdraw from a Fund or appoint a

successor managing member in the event of the withdrawal or bankruptcy of the Adviser or otherwise, unless such right, power or authority is conferred on it or them by law.

- Term of the Funds: The terms of the Funds are unlimited. The Adviser, however, may dissolve a Fund at any time upon giving written notification of such dissolution to the Fund investors. Upon the dissolution of a Fund, Fund investors will have no further withdrawal rights, but only the right to receive distributions from such Fund in connection with its winding up.
- Limited Fund Withdrawal Rights: Fund investors have limited withdrawal rights from the Funds. Fund investors may not withdraw all or any portion of their capital accounts until after the applicable lock-up period, and after the lock-up period, Fund investors may only withdraw their capital account(s) quarterly and subject to certain limitations. Amounts not withdrawn from a Fund due to a suspension shall remain invested in such Fund's investment program and shall remain exposed to, and shall participate in, the profits, losses and expenses of such Fund until the effective date of withdrawal. Accordingly, Fund investors should not expect to be able to liquidate any portion of their capital account at any time.
- Effect of Substantial Withdrawals from Funds: Substantial withdrawals within a short period of time could require a Fund to liquidate positions more rapidly than would be desirable, or at unfavorable times or on unfavorable terms. Liquidation under these circumstances may reduce the value realized in the liquidation and/or reduce valuations of positions remaining in the portfolio. Under such circumstances, the Adviser may elect to limit or suspend withdrawal rights or payment of withdrawal proceeds in whole or in part.
- Liquidation of Funds: If a Fund should become insolvent, the investors in such Fund may be required to return any distributions wrongly made to them.
- Incentive Allocations: The Adviser's opportunity to receive incentive allocations in respect of certain client assets may create an incentive for the Adviser to invest and trade such assets in a manner that is riskier or more speculative than would otherwise be the case. Incentive allocations made to the Adviser will be determined on the basis of the value of a Fund's or SMA's assets, including value attributable to unrealized appreciation. Thus, incentive allocations may be made to the Adviser based on positions that were profitable at the time such incentive allocations were made but become unprofitable when such positions are eventually liquidated.
- Availability and Accuracy of Information: The Adviser will select investments on the basis of information and data derived from research by the Adviser. Although the Manager intends to evaluate all such information and data and to seek independent corroboration when the Adviser considers it appropriate and when it is reasonably available, the Adviser will not in many cases be in a position to confirm the completeness, genuineness or accuracy of such information and data.
- Institutional Risk: Risks exist, and clients could incur losses due to, the failure of counterparties to perform their contractual commitments to a Fund or a SMA. Some of the markets in which the Funds and SMAs may invest and trade are over-the-counter or "interdealer" markets. The participants in these markets typically are not subject to the type of strict credit evaluation and regulatory oversight applicable to members of "exchange based" markets, and transactions in these markets typically are not settled through clearinghouses that guarantee the trades of their participants. This results in the risk that a counterparty may not be able to settle a transaction in accordance with its terms because of a credit or liquidity problem of the counterparty, thereby exposing the Funds or SMAs to losses. Counterparty risk is accentuated in the case of contracts having longer maturities, where events may intervene to prevent settlement, or where transactions have been concentrated with a single or small number of counterparties. In addition, risks exist, and clients could incur losses due to, the financial difficulty of brokerage firms, banks or other financial institutions that hold the assets of a Fund or SMA.
- Non-Diversification and Sector Concentration: The Funds or SMAs may invest in a limited number of issuers, without regard to the percentage of the Funds' or SMAs' assets invested with any single

issuer or within any single industry. Concentration of investments with a particular issuer or in a particular market sector will only occur if the Adviser believes the investment return available from concentration with that issuer or in that sector justifies any additional risk associated with such concentration. Non-diversification among issuers involves an increased risk of loss if the market value of a security should decline. Moreover, when investments are concentrated in a market sector, financial, economic, business, and other developments affecting issuers in that sector will have a greater effect than if assets had not been concentrated in that sector.

- Operational Risk: Special considerations and risks arise from the day-to-day management of pooled investment vehicles like the Funds. For example, the Funds are subject to substantial fees, transaction costs and other costs and other expenses, regardless of whether they realize any profits. Accordingly, the Funds must earn substantial trading profits to avoid depletion of their assets due to such costs and expenses. In addition, substantial withdrawals from a Fund within a short period of time could require the Fund to liquidate positions more rapidly than would be desirable, or at unfavorable times or on unfavorable terms. Liquidation under these circumstances may reduce the value realized in the liquidation and/or reduce valuations of positions remaining in the portfolio. Furthermore, the Adviser may from time to time receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Funds may be prohibited, by law, policy or contract, including any “restricted list” maintained by the Adviser, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer or (iii) pursuing other investment opportunities related to such issuer. Alternatively, the Adviser may decline to receive material non-public information in order to avoid investment restrictions, even though access to such information might have been advantageous and other market participants are in possession of such information. The foregoing special considerations and risks are not an exhaustive list of all operational risks arising from the management of the Funds.
- Regulatory Risk: The investment strategies pursued by the Adviser may be affected by the U.S. state and federal laws governing the beneficial ownership of securities in public companies, which may inhibit the ability to freely acquire and dispose of certain securities. Should the Adviser’s investment strategies be affected by such rules and regulations, they may not be able to transact in ways that would realize value for clients. In addition, any changes to government regulations could make some or all forms of corporate governance strategies unlawful or impractical. Accordingly, such changes, if any, could have an adverse effect on the ability of the Funds in particular to achieve their investment strategy.
- Absence of Registration of Funds: The Funds offer interests and shares to investors (as applicable) pursuant to the exemption from registration under the Securities Act provided by Regulation D and will not register their securities under the Securities Act. The Funds also rely on exemptions from securities registration requirements under applicable state securities laws. Unlike investment companies registered under the Company Act, the Funds rely on an exception from such registration available to privately offered investment companies and, accordingly, the provisions of the Company Act (which, among other things, requires registered investment companies to have boards of directors comprised of at least 75% disinterested directors, require securities to be held in custody by a bank or broker in accordance with rules requiring the segregation of securities and regulate the relationship between the advisor and the investment company) are not applicable. There is no market for interests or shares in the Funds and none is expected ever to develop. Consequently, Fund investors may not be able to liquidate their investments, or securities distributed to them in kind, in the event of an emergency or for any other reason. Interests and shares in the Funds may not be pledged as collateral.
- Increased Regulatory Oversight: The financial services industry generally, and the activities of hedge funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny globally. Such scrutiny may increase the Funds’ and the Adviser’s exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on the Adviser, including, without limitation, responding to investigations and

implementing new policies and procedures. Such burdens may divert the Adviser's time, attention and resources from portfolio management activities.

- Increased Scrutiny of Identity of Fund Investors: The Adviser expects continued increased scrutiny and regulation regarding the identities and sources of funds of investors in private investment funds such as the Funds. In that regard, in the future, the Funds may become subject to additional obligations, such as reporting requirements regarding its investors, including, without limitation, such requirements and restrictions as may be required by government regulators, government and/or law enforcement officials. Upon the request of the Adviser or a Fund, or any of their respective designees (including, but not limited to, a Fund's administrator), each Fund investor will be required to provide the Adviser with such information as may be required to enable the Adviser and/or such Fund to comply with all applicable legal or regulatory requirements, and each Fund investor will be required to acknowledge and agree that the Adviser, such Fund and any of their respective designees, may disclose such information to governmental and/or regulatory or self-regulatory authorities to the extent required by applicable law or regulation and may file such reports with such authorities as may be required by applicable law or regulation. If required by applicable law, regulation, or interpretation thereof, the Adviser may suspend all activity with respect to a Fund investor's account with a Fund, including suspending such investor's right to withdraw funds or assets from a Fund pending the Adviser's or its designee's receipt of instructions regarding such investor's account from the appropriate governmental or regulatory authority.
- Tax Risk: An investment in a Fund or SMA involves complex tax considerations that will differ for each investor depending on the investor's particular circumstances. Investors and prospective investors are urged to consult their own tax advisors with specific reference to their own situations. The investment decisions of the Adviser will be based primarily upon economic considerations, and could result, from time to time, in adverse tax consequences. There can be no assurance that the structure of the Funds will be tax-efficient for any particular investor. Investors and prospective investors in the Funds should review the Private Placement Memoranda for a discussion of certain tax considerations related to such an investment.
- Tax Due Irrespective of Distributions: Fund investors that are subject to U.S. federal income tax generally will be subject to tax each year on their allocable share of the Funds' taxable income and gain, even if the Funds do not make any distributions to them or if the distributions to them are insufficient to pay the taxes owed. The Adviser generally does not intend that the Funds will make distributions. Accordingly, each taxable Fund investor should have alternative sources of cash from which to pay its U.S. federal income tax liability or be prepared to withdraw such amounts from the Funds (to the extent permitted under applicable Fund governing documents), as the income tax liability related to such allocated income and gain may exceed distributions to such investor for a taxable year.
- Uncertain Tax Positions and Partnership Tax Audit: The Funds may take positions with respect to certain tax issues which depend on legal conclusions not yet addressed by the courts, and no assurance can be given that the U.S. Internal Revenue Service ("IRS") will not challenge on audit the positions taken by a Fund with respect to such tax issues. In addition, a tax audit of a Fund may result in an audit of the tax returns of some or all of the investors in such Fund, which could result in adjustments to the tax consequences initially reported by such Fund and affect items not related to such investor's investment in such Fund. If a tax audit resulted in an increase in a Fund investor's U.S. federal income tax liability for any year, such investor may also be liable for interest and penalties with respect to the amount of underpayment of tax. The legal and accounting costs incurred in connection with any audit of the tax return of a Fund will be borne by such Fund. The cost of any audit of a Fund investor's tax return will be borne solely by such investor.
- Schedule K-1s: The Funds will provide Schedule K-1s to Fund investors as soon as practicable after the end of each fiscal year of each Fund. The Funds may not be able to provide final Schedule K-1s to Members for any given calendar year until after April 15 of the following year. Accordingly, Fund investors should be prepared to obtain extensions to the initial due date for their income tax returns at

the U.S. federal, state and local levels.

- Changes in Tax Law: Changes or modifications in existing judicial decisions or in the current positions of the IRS or any other taxing authority and the passage of new legislation could substantially modify the tax treatment described in the Private Placement Memoranda, possibly on a retroactive basis. The Adviser cannot predict whether the U.S. Congress or any other legislative body will issue new tax legislation or whether the IRS or any other taxing authority will enact new regulations or other guidance, nor can it predict what effect such legislation or regulations might have on the Funds or the SMAs. There can be no assurance that new legislation or regulations, including changes to existing laws and regulations, will not have an adverse effect on investment performance. In addition, U.S. federal tax legislation enacted into law in 2017 (the “2017 Tax Act”) has made many major changes to the taxation of individuals and businesses. There are a number of technical issues and uncertainties in the 2017 Tax Act, which could be clarified by future guidance. It is not possible to predict whether such clarifications will result in adverse consequences to the Funds or the SMAs.
- Tax Exempt Investors: An investor which is a tax-exempt entity, including an individual retirement account or any retirement plan subject to ERISA, should consider, and discuss with its own tax advisors, the possibility that all or a portion of its distributive share of Fund income or gain will be subject to the special tax imposed by the Internal Revenue Code of 1986, as amended (the “Tax Code”), on the unrelated business taxable income (“UBTI”) of a tax-exempt entity. The imposition of such a tax could materially reduce the effective return which a tax-exempt investor would derive from an investment in a Fund. A tax-exempt entity should consider in particular the extent to which it will be deemed to have “unrelated debt-financed income” by reason of (i) Fund transactions involving or the acquisition of securities on margin or otherwise through borrowing, or (ii) any borrowing done by the entity to finance its investment in a Fund. A charitable remainder trust under Section 664 of the Tax Code that has any UBTI for a taxable year is subject to an excise tax equal to the amount of its UBTI.
- Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities. The United States, pursuant to the United States Foreign Account Tax Compliance Act or “FATCA” has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. Since the enactment of FATCA, other jurisdictions have signaled their intention to enter into bilateral information exchange. Additionally, the Organization for Economic Co-operation and Development has approved a global Common Reporting Standard (the “CRS”) for multilateral exchange of information based on the Convention on Mutual Administrative Assistance in Tax Matters. The CRS has been adopted by more than 100 jurisdictions through over 4,000 bilateral exchange relationships, as of May 2020. One or more of these information exchange regimes are likely to apply to the Funds, and may require the Adviser to collect and share with applicable taxing authorities information concerning Fund investors (including identifying information and amounts of certain income allocable or distributable to them).
- ERISA Risk: Fiduciaries and other advisers to employee benefit plans subject to ERISA and other plans and arrangements subject to Section 4975 of the Tax Code (including individual retirement accounts) should consider their fiduciary duties and the other laws and regulations applicable to investments by such investors, including the prohibited transaction rules under ERISA and the Tax Code. Failure to comply with such laws and regulations can result in the imposition of civil and criminal penalties, and excise taxes applicable to “parties in interest” and “disqualified persons” who participate in prohibited transactions. The Adviser may impose additional restrictions or limitations on investors in order to accommodate compliance with ERISA. Benefit plan investors are strongly encouraged to consult with their own professional advisors regarding the implications of investing in a Fund or SMA.

Additional risks inherent in fund structure exist for investors in the Funds, including the special considerations and risks arising from the operation of certain provisions of each Fund’s LLC Agreement or other operating agreement and other Fund organizing documents. Prospective investors in any Fund should read such Fund’s entire Private Placement Memorandum before subscribing for interests or shares, as certain special considerations and risk factors that fall under these categories (as well as all other categories above) are described

in each Fund's Private Placement Memorandum.

The inclusion of specific special considerations and risk factors in this Brochure should not be construed to imply they are described in complete detail, or that there are no other special considerations or risk factors that apply to a strategy.

ITEM 9 – DISCIPLINARY INFORMATION

The Adviser has no disciplinary event(s) to disclose.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither the Adviser nor any employee of the Adviser is registered, or has an application pending to register, as a broker-dealer, representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or associated person of a futures commission merchant, commodity pool operator or commodity trading advisor.

The Adviser has no arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planner, commodity trading advisor or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor or syndicator of limited partnerships that are material to its advisory business or to its clients.

The Adviser does not recommend or select other investment advisers for its Funds.

ITEM 11 – CODE OF ETHICS

Code of Ethics and Personal Trading

The Adviser has adopted a Code of Ethics (the "Code") that comports with the requirements under SEC Rule 204A-1 under the Advisers Act. The Code applies to all employees as supervised persons, describing the Adviser's high standard of business conduct and fiduciary duty to its clients. Included within the Code is a policy to conduct the Adviser's activities in accordance with what it believes to be the highest ethical standards and in accordance with the Advisers Act and all other applicable laws and regulations.

The Code requires that employees provide the Adviser with information as to securities transactions and holdings in covered employee accounts, which include any account with brokerage capability (i) in the name of the employee, his/her spouse, his/her minor children, or other dependents residing in the same household, (ii) for which the employee is a trustee or executor, or (iii) which the employee controls. The Code places restrictions on personal trading by employees in covered accounts, including that employees must make a written request and receive clearance from the Adviser's CCO before buying or selling any security in a covered personal account (other than certain government securities, shares of mutual funds and certain other types of securities that the Adviser does not believe create a potential for conflicts of interest). Pre-cleared transactions must be completed by the close of business on the day approval was granted for public investments. The Code prohibits employees from buying or selling securities that appear on the Adviser's restricted list. Employees and employees' immediate family members must also obtain pre-approval from the CCO before participating in any limited offering, private placement, or investment in an initial public offering. The Code further requires that employees arrange for duplicate brokerage statements for all covered personal accounts to be sent to the CCO on a quarterly basis, and that employees receive authorization from the CCO prior to opening any new covered personal account. Employees are also required to report securities holdings upon hire and on an annual basis. The CCO monitors and reviews all employees' reported securities transactions and holdings.

Certain non-public investment opportunities are brought to the Adviser's attention through the personal

relationships with the Adviser's employees (instead of client account activity). Clients may not be given the opportunity to invest in these securities absent unusual circumstances. Instead, the Adviser's employees may invest in these non-public securities for their own accounts, subject to receiving requisite pre-approvals as described above and as more fully detailed in the Code.

The Code is designed so that the personal securities transactions and activities and interests of the employees of the Adviser will not interfere with (i) the Adviser making decisions in the best interest of its clients and (ii) implementing such decisions while, at the same time, allowing employees to invest on their own behalf.

The Code also contains the Adviser's policies and procedures relating to material, nonpublic information (the "Insider Trading Policy"). The Adviser's Insider Trading Policy prohibits the Adviser and its employees from trading on behalf of clients or for themselves in securities of a company while in possession of material nonpublic information about the company, and from disclosing such information to unauthorized persons, in violation of applicable law.

In addition to the Insider Trading Policy and restrictions regarding personal trading, the Code also addresses and governs, *inter alia*, the giving and receiving of gifts and entertainment and outside business activities. All of the Adviser's employees must acknowledge the terms of the Code initially upon the commencement of employment, annually, and upon a material amendment to the Code. Employees are also required to certify compliance with the Code on a quarterly basis. A copy of the Code is available upon the request of a client or prospective client to the Adviser's CCO, Erin Casey at ecasey@heardpcaital.com, and will be provided at no charge.

Participation or Interest in Client Transactions

The Adviser shall invest and reinvest each Fund's and SMA's assets in accordance with the investment guidelines and restrictions set forth in all Private Placement Memoranda and investment management agreements, as applicable. All trading shall be done on an agency (not a principal) basis, and the Adviser shall not engage in any agency cross trades. At times, the Adviser may affect the purchase and sale of a security directly between the relevant clients. In the event of such an internal cross trade, the Adviser would: (i) determine that the transaction is in the best interests of each client involved; (ii) arrange the transaction for no additional compensation; and (iii) arrange for the trade to be transacted at the current independent market price or, in the case of a rebalancing transaction, as of the close of the market on the day of the trade. Employees are required to consult with the CCO with respect to any internal cross trade.

Neither the Adviser nor any related person is permitted to recommend to clients, or buy or sell for client accounts, securities in which it/he/she has a material financial interest. The Adviser anticipates that, in appropriate circumstances and consistent with clients' investment objectives, the Adviser will cause accounts over which the Adviser has management authority to effect, and will recommend to clients or prospective clients, the purchase or sale of securities in which the Adviser, its affiliates and/or clients, directly or indirectly, have a position or interest. In addition, there will be circumstances in which the Adviser's personnel will trade for their personal accounts in a manner that differs from actions taken for client accounts, including securities which are recommended to and/or purchased for clients.

As of the date of this Brochure, the Adviser and Mr. Heard have financial ownership interests in the Funds. The fact that the Adviser and Mr. Heard have financial ownership in the Funds creates a potential conflict in that it could cause the Adviser to make different investment decisions than if such parties did not have such financial ownership interests. Further, as discussed in Items 5 and 6 above, the Adviser receives a management fee and an incentive allocation from the Funds for its services to the Funds. The Adviser does not charge management fees or incentive allocation against any capital account established for the Adviser or its members or employees. The Adviser does not believe this arrangement presents any material conflict of interest as the interests of the Funds, the Adviser and its employees are aligned.

ITEM 12 – BROKERAGE PRACTICES

Selection of Broker-Dealers, Research and Soft Dollars

All securities transactions made by the Adviser are executed through approved broker-dealers. The Adviser considers several factors in selecting broker-dealers to execute trades, including, but not limited to: (i) a broker-dealer's execution capabilities with respect to the relevant type of order and access to the markets for the securities being traded; (ii) the broker-dealer's clearing and settlement capabilities; (iii) the type and size of the transactions involved and the broker-dealer's ability to execute on similarly-sized transactions; (iv) brokerage commission rates; (v) the broker-dealer's reputation and responsiveness to inquiries from the Adviser; (vi) the broker-dealer's familiarity with the investment practices of the Adviser; (vii) the financial strength and stability of each broker-dealer; (viii) the broker-dealer's operational facilities; and (ix) the quality of overall brokerage services. The Adviser's investment and risk committee regularly reviews the performance of its approved broker-dealers.

The Adviser is aware of its obligation to seek the "best execution" of securities transactions. Best execution entails the efficient placement of order, clearance, settlement and overall execution quality as well as the price obtained in the transaction. The Adviser's duty is not necessarily to find the best price or lowest cost, but rather to achieve the best qualitative execution for the client. As part of its efforts to obtain best execution, the Adviser considers all of the factors discussed above in choosing approved broker-dealers, and also aggregates orders for multiple clients as detailed below. The Adviser's investment and risk committee oversees the Adviser's brokerage practices, including implementing and monitoring best execution.

Research services received from broker-dealers are supplemental to the Adviser's own research effort and, when utilized, are subject to internal analysis before being incorporated by the Adviser into its investment process. The Adviser accepts proprietary research from broker-dealers and does not enter into any formal soft dollar arrangements to receive such research. To the best of the Adviser's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. Research is made available to the Adviser on an unsolicited basis and without regard to the rates of commissions charged or paid by the Adviser or the volume of business the Adviser directs to such broker-dealers. Accordingly, the Adviser does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services.

General Practices

Funds

The Adviser has full discretionary authority to manage the investment of the Funds, including the authority to make decisions as to which securities are bought and sold, the amount and price of those securities, the broker-dealers to be used for particular transactions, and the commissions or mark-ups and mark-downs paid.

While the length of time a Fund holds a particular security will be a consideration in investment decisions for both performance and tax efficiency reasons, a Fund's investment policies may change or could lead to frequent changes in such Fund's investments, particularly in periods of volatile market movements or for other reasons, *e.g.* a change in tax laws. The length of time a Fund has held a particular security will not, however, be a consideration in investment decisions. Portfolio turnover involves some expense to a Fund, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of securities and reinvestment in other securities.

Financial institutions such as broker-dealers and banks will have custody of the Funds' assets, including margin deposits. Often, these assets will not be registered in the name of a Fund. Financial difficulty, fraud or

misrepresentation at one of these institutions could impair the operational capabilities or capital position of a Fund.

SMAs

The Adviser will execute transactions on behalf of SMAs in accordance with the relevant execution policy, investment management agreements, and/or similar agreements governing SMA relationships.

- a) The Adviser will provide the SMA client with a list of the markets and exchanges on which the Adviser may conduct business on behalf of the SMAs on request. The Adviser agrees that all transactions will be effected in accordance with the rules and regulations of the relevant market or exchange, and in accordance with all applicable laws.
- b) The Adviser does not execute trades on an unregulated exchange or in an unregulated market. For the avoidance of doubt, “unregulated exchange” and “unregulated market” shall be defined as an exchange or a market in any jurisdiction that is not subject to the oversight of a governmental regulatory body.
- c) The Adviser agrees to provide the names of all brokers and/or counterparties with whom it anticipates executing trades and/or entering into derivative contracts, as applicable, on behalf of the SMAs on request. This list shall include only those who are authorized to conduct such business and are properly licensed under the laws, rules or regulations of any government, exchange, or self-regulatory organization charged with regulating the Adviser, the SMAs, or market(s) where either conducts any business. The Adviser, upon prior approval from the SMA client, may add or remove brokers and/or counterparties from the list.
- d) The Adviser will not be permitted to utilize soft dollar arrangements as it relates to the SMAs.

Directed Brokerage

The Adviser does not engage in directed brokerage.

Trade Aggregation and Allocation

The Adviser pre-allocates all orders, with investment allocations generally made on a pro rata basis. In no event shall the allocation of orders be based on considerations other than the best interests of the client. In instances where a determination is made to allocate trades in a non-pro rata manner, the Adviser will document the reason for the non-pro rata allocation and the Adviser's CCO and CFO will review any non-pro rata allocations to ensure that all clients are being treated consistently.

The Adviser will only aggregate orders if by doing so the Adviser is acting in clients' best interests and facilitating best execution, including negotiating more favorable prices, obtaining more timely or equitable execution, or reducing overall commission charges. Each client that participates in an aggregated order will participate at the average share price for all the Adviser's transactions in that security on a given business day, with transaction costs shared pro rata based on each client's participation in the transaction. The Adviser will pre-allocate any aggregated orders, with all allocations generally made on a pro rata basis and always in consideration of the best interest of the client. Orders may be aggregated on a non-pro rata basis only if all client accounts receive fair and equitable treatment and the reason for the different aggregation is explained in writing and approved by the Adviser's CFO. No additional compensation or remuneration will be due to the Adviser as a result of the aggregation. Where the Advisor does not aggregate where it had the opportunity to do so, it is possible that higher brokerage costs may result.

Trade Errors

The Adviser has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, Heard Capital will use reasonable efforts to correct the error as soon as possible. The goal of error correction is to make the client “whole,” regardless of the cost to the Adviser. The Adviser's CCO will maintain a record of each trade error, including information about the trade and how such error was corrected.

ITEM 13 – REVIEW OF ACCOUNTS

The Adviser reviews all client accounts on a regular basis to determine conformity with risk parameters, investment objectives, and guidelines. The Adviser receives daily updates of portfolio positions and transactions. Investment personnel at the Adviser meet regularly to review and discuss portfolio status, potential investments and related issues. All accounts are reviewed in light of emerging trends and developments as well as market volatility. Any reviews on an other-than-periodic basis would occur in the event of performance anomalies.

Funds

As soon as reasonably practicable after the end of each calendar month, the Funds will provide to each investor a report reflecting the net assets attributable to such investor's capital account(s) as of the end of such month as compared with the end of the previous month. Investors will also receive quarterly letters highlighting the developments for the period. As soon as reasonably practicable after the end of each calendar year, the Funds will provide to each investor (i) an audited statement of assets and liabilities of the respective Fund as of the end of such year, (ii) audited statements of operations and changes in net assets of the Fund for such year, and (iii) such tax information and schedules as are necessary to enable such investor to prepare its federal income tax return. Certain investors may receive additional information. Reports and other Fund communications may be delivered by e-mail, unless the investor opts out of e-mail delivery in its subscription agreement.

SMA's

Each SMA client's administrator and/or custodian provides such client with periodic holdings reports which shall detail positions and cash. The Adviser shall provide the administrator and/or custodian utilized by each SMA client with all information in the Adviser's possession which such administrator and/or custodian may request. The Adviser shall review the SMA holdings reports to which it has access and will advise the relevant SMA client and such client's administrator and/or custodian when the Adviser identifies discrepancies (if any). If the SMA client identifies any such discrepancies, upon its request to the Adviser, the Adviser will work with such client and its administrator and/or custodian to resolve such discrepancies.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser does not receive any monetary compensation or other economic benefit from a non-client for the Adviser's provision of investment advisory services to a client.

The Adviser has entered into a relationship with Morgan Stanley Smith Barney LLC as a placement agent (the “Placement Agent”) who provides client referrals for the Long Only Funds. The Adviser compensates the Placement Agent for any client referrals based on a percentage of assets placed with the Adviser. All client referrals from the Placement Agent will be conducted in accordance with Rule 206(4)-1 under the Advisers Act, and any other applicable state or regulatory requirements.

ITEM 15 – CUSTODY

Funds

The Adviser does not maintain physical possession of any Fund's cash or securities. However the Adviser is deemed to have custody of the Funds' assets because of the authority that the Adviser has over those assets.

All Fund assets are held in custody by qualified custodians. The Funds are audited annually by an accounting firm that is a member of the Public Company Accounting Oversight Board. The audit of the Funds is conducted in accordance with U.S. Generally Accepted Accounting Principles. Audited financial statements are distributed to all Fund investors within 120 days of the Funds' fiscal year end. Reports and other Fund communications may be delivered by e-mail, unless the investor opts out of e-mail delivery in its subscription agreement.

SMA's

The Adviser does not maintain physical possession of any SMA's cash or securities. Each of the SMA clients appoints its own custodian or sub-custodian(s) for the assets of such client. At no time will the Adviser or any of its delegates or affiliates be authorized to have physical control or custody over SMA assets or transfer any of SMA assets to another account. The qualified custodians appointed by SMA clients provide account statements to such SMA clients.

ITEM 16 – INVESTMENT DISCRETION

The Funds

The Adviser has discretionary authority to manage the assets of the Funds. The authority is conveyed pursuant to: (i) each Fund investor's subscription agreement, (ii) the investment management agreement between the Adviser and each Fund, and (iii) the governing documents in connection with each Fund. Investment decisions for the Funds are made in accordance with the investment objectives, guidelines, restrictions and limitations set forth in the Private Placement Memoranda and Fund governing documents.

SMA's

The Adviser has discretionary authority to manage the assets of the SMA's. Regardless of the discretionary authority the Adviser has with respect to a SMA, when recommending securities to and determining amounts of securities for such SMA, the Adviser observes the investment policies, limitations and restrictions of the SMA client as set forth in such SMA's investment management agreement. As a general matter, SMA clients may be permitted to impose restrictions on investing in certain securities or transactions, provided that such restrictions are transmitted to the Adviser in writing.

ITEM 17 – VOTING CLIENT SECURITIES

The Adviser has discretion to vote the proxies of its clients in SMA's and for the Funds. The Adviser will act solely in the best interests of its clients when exercising its proxy voting authority. The Adviser determines whether and how to vote corporate actions and proxies on a case-by-case basis, and will (i) attempt to consider all aspects of the vote that could affect the value of the issuer or that of the client, (ii) vote in a manner that it believes is consistent with the client's stated objectives and (iii) generally, vote in accordance with the recommendation of the issuing company's management on routine and administrative matters, unless the Adviser has determined that it is in its clients' best interests to vote to the contrary. Generally, clients may not direct the Adviser's vote in a particular solicitation.

The Adviser will not put its own interests ahead of those of any client when exercising its proxy voting authority. In the event that a potential conflict of interest arises in connection with voting a proxy, a conflict of interest will be considered material to the extent that the conflict has the potential to influence the Adviser's decision-making in voting the proxy. The Adviser has retained Institutional Shareholder Services Inc. ("ISS") as an expert in the proxy voting and corporate governance areas to assist in the due diligence process related to making appropriate

proxy voting decisions. If the Adviser determines that it may have, or is perceived to have, a conflict of interest when voting proxies, the Adviser may request that ISS assist with its voting decision. Any vote cast by ISS is binding and may not be overridden by the Adviser.

In limited circumstances, and to the extent consistent with the terms of the Adviser's agreements with clients, the Adviser may refrain from voting proxies where the Adviser believes that voting would be inappropriate, taking into consideration the cost of voting the proxies and the anticipated benefit to its clients.

An investor can obtain (i) a copy of the Adviser's proxy voting policy and procedures and (ii) a record of all of proxy votes cast on its behalf by contacting the Adviser's CCO, Erin Casey, at ecasey@heardcapital.com.

Although the Adviser is authorized to provide investment supervisory services and vote client proxies, the Adviser will not file proof of claims in class action settlements. Clients assume the sole responsibility of evaluating the merits and risks associated with any class action settlement, therefore clients are responsible for filing proof of claims. The Adviser cannot provide legal advice and clients are encouraged to consult with their legal advisors when filing claims in securities class actions suits. Clients' responses to settlement notices will impact clients' legal rights. Should the Adviser inadvertently receive proof of claims for securities class action settlements on behalf of clients, the Adviser will immediately forward such information on to clients and will not take any further action with respect to the claim.

ITEM 18 – FINANCIAL INFORMATION

The Adviser does not require prepayment of fees by a client six months or more in advance. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. The Adviser has not been the subject of a bankruptcy proceeding.