

Investment Adviser Brochure

Antara Capital LP

**55 Hudson Yards
47th Fl, Suite C
New York, NY 10001
Tel: (646) 762-8580**

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This “**Brochure**” provides information about the qualifications and business practices of Antara Capital LP. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Raph Posner, at (646) 762-8580 or by email at rposner@antaracapital.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Antara Capital LP is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Antara Capital LP or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Antara Capital LP is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Antara Capital LP filed its most recent Brochure on March 22, 2023. This Brochure contains an updated Regulatory Assets Under Management as of December 31, 2023. In addition, this Brochure contains updated material information regarding the SPAC Fund and the Antara Funds (each as defined herein).

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Item 4: Advisory Business

Antara Capital LP (hereinafter “**Antara**,” “**Investment Manager**,” “**we**,” “**us**,” “**our**” or the “**Firm**”) is a Delaware limited partnership formed on March 7, 2018 with a principal place of business in New York, New York. Antara Capital GP LLC, a Delaware limited liability company (the “**Adviser General Partner**”), serves as the general partner of Antara. Antara serves as the investment adviser, with discretionary trading authority, to the following private investment funds, including:

- Antara Capital Master Fund LP, a Cayman Islands exempted limited partnership (the “**Master Fund**” and together with the below feeder funds, the “**Antara Fund**”), which is a pooled investment vehicle that will operate as a private investment fund.
 - Antara Capital Onshore Fund LP, a Delaware limited partnership (the “**Onshore Fund**”);
 - Antara Capital Offshore Fund Ltd, a Cayman Islands exempted company (the “**Offshore Fund**”), which together with the Onshore Fund will invest all of their investible assets into the Master Fund, which will trade in securities and investment instruments and otherwise execute the investment program on behalf of the Antara Fund.
- Antara Capital Total Return SPAC Fund, LP, Cayman Islands exempted limited partnership (the “**SPAC Master Fund**” and together with the below feeder funds, the “**SPAC Fund**”), which is a pooled investment vehicle that will operate as a private investment fund.
 - Antara Capital Total Return SPAC Onshore Fund LP (the “**SPAC Onshore Fund**”).
 - Antara Capital Total Return SPAC Offshore Fund Ltd a Cayman Islands exempted company (the “**SPAC Offshore Fund**”), which together with the SPAC Onshore Fund will invest all of their investible assets into the SPAC Master Fund, which will trade in securities and investment instruments and otherwise execute the investment program on behalf of the SPAC Fund.

The above are collectively referred to as the “**Funds**” and, collectively with each Managed Account client, the “**Client**.” The Offshore Fund’s shareholders and the Onshore Fund’s limited partners are hereafter collectively referred to as the “**Investors**” where appropriate.

Antara Capital Fund GP LLC, a Delaware limited liability company (the “**Master Fund General Partner**”), serves as the general partner of the Master Fund and Antara Capital Total Return SPAC Fund GP LLC serves as the general partner of the SPAC Fund (the “**SPAC Fund General Partner**” and together with the Master Fund General Partner, the “**Fund General Partners**”). Himanshu Gulati is the principal owner of Antara, the Adviser General Partner and the Fund General Partners. Antara also provides discretionary investment advice to two separately managed accounts (each a “**Managed Account**”) and acts as a sub-adviser to portfolios in private funds managed by a registered investment adviser unaffiliated with Antara (the “**Sub-Advisory Accounts**”).

Antara does not tailor its advisory services to the individual needs of any particular Investor in the Funds. Antara’s investment decisions and advice with respect to the Funds are subject to the Fund’s investment objectives and guidelines, as set forth in its respective “**Offering Documents**.”

Antara does not currently participate in any Wrap Fee Programs.

The Firm has regulatory assets under management of \$2,000,469,987 as of December 31, 2023 all managed on a discretionary basis.

Item 5: Fees and Compensation

The fees applicable to the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below. The fees, expenses and incentive allocation with respect to the Managed Accounts and the Sub-Advisory Accounts are set forth in the agreements between Antara and the investment adviser of the private funds.

Management Fee

For the Antara Fund, Antara will generally be paid an asset-based fee (“**Asset-Based Fee**”) for each quarter equal to 0.4375% (1.75% per annum), 0.3125% (1.25% per annum) or 0.375% (1.5% per annum) of the net asset value of each Investor’s interest in the Fund (depending on the series in which an Investor invests). The Asset-Based Fee is normally charged on the first day of each quarter and is paid in advance based on the net asset value of each Investor’s interest on the first business day of such quarter. A portion of the Asset-Based Fee will be paid to a strategic investor in consideration for its investment in the Master Fund. The Asset-Based Amounts will have prorated for any period that is less than a full calendar quarter. In our sole discretion, the Asset-Based Amounts may be waived, reduced or calculated differently with respect to certain Investors.

In respect of that certain portion of the Antara Fund that has been allocated to a new Series/Class I as of December 31, 2023, going forward with respect to Series I only, Antara will be paid the Asset-Based Fee, monthly in advance at the prevailing Asset-Based Fee for the first calendar year (2024), 1.0% in the second calendar year, and 0.5% thereafter through the final liquidation of Series I investments.

For the SPAC Fund, with the consent the requisite number of Investors and pursuant to a side letter entered into with these Investors, Antara has restructured the SPAC Fund so all investors are now in one class (“Series L”) and Series L will now be managed as a wind-down vehicle for remaining SPAC Fund investments. With respect to Series L and the SPAC Fund altogether, no Asset-Based Amount or Incentive Allocation shall be applied with respect to the Series L Investors, as if the Asset-Based amount and the Incentive Allocation rates were each zero (including, for the avoidance of doubt, with respect to any accrued Asset-Based Amount or Incentive Allocation).

Antara will be paid a management fee by the Managed Accounts, equal to 1/12 of 0.50% (0.50% per annum) of each Managed Account’s “**Investable Capital**.” Investable Capital shall be initially set at \$5,000,000 and later adjusted by the aggregate cumulative profits and losses with respect to each Managed Account.

Incentive Allocation

Generally, the Funds’ General Partners are entitled to receive an incentive allocation equal to 15% or 20% of the net capital appreciation (based on realized and unrealized gains and losses), if any, of Investors’ investments in the Funds at the end of each fiscal year, or an earlier date with respect to any capital withdrawn or redeemed prior to the end of a fiscal year or upon the dissolution of the Funds, in each case subject to recoupment of losses for prior periods. The incentive allocation will be calculated and allocated at the Master Fund level but will take into account any feeder fund-specific expenses for purposes of calculating the incentive allocation borne by investors. A portion of the Incentive Allocation will be allocated to a strategic investor in consideration of its investment in the Master Fund.

In the sole discretion of the Funds' General Partners, the incentive allocation may be waived, reduced or calculated differently with respect to certain Investors.

In respect of the SPAC Fund, from January 1, 2023 until the SPAC Fund is liquidated in full, no Incentive Allocation or other performance-based compensation will be taken on the SPAC Fund from and after January 1, 2023.

In respect of the Series I portfolio of the Antara Funds, going forward with respect to Series I only, no Incentive Allocation or other performance-based compensation will be taken on Series I from and after January 1, 2024.

Provided the Hurdle (net profits equal to 5% of the Investable Capital at the beginning of the Measurement Period, as defined below) is reached, the Managed Account clients shall pay the Firm an incentive fee (the "**Incentive Fee**") equal to 10% of the net profits, if any, attributable to each Managed Account in excess of the Hurdle. The Incentive Fee shall be calculated and payable (a) as of December 31 of each year, and (b) in the event that an investment management agreement is terminated as of a day other than December 31, as of the Termination Date (each period beginning on the date hereof or January 1, as applicable, and ending on December 31 or the Termination Date, as applicable, a "**Measurement Period**"). The Incentive Fee payment shall be subject to a 5% holdback that shall be paid promptly after the completion of any relevant audit for such year.

Expenses

Antara is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

The Firm will provide office space and utilities; administrative services; and secretarial, clerical and other personnel to the Funds. The Firm will bear the costs of providing such goods and services, and all of its own overhead costs and expenses, except to the extent such goods, services, costs and expenses are provided for through soft dollars generated by the Funds or are Fund expenses as provided below.

The Funds will bear their own expenses, including, without limitation, the Asset-Based Amounts; investment expenses, whether or not such investments are consummated (such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); investment-related travel expenses (which are travel expenses related to the purchase, sale or transmittal of, or due diligence regarding, or management of, the Fund's investments, whether or not such investments are consummated, incurred by the Investment Manager or the Funds' General Partners); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the Funds (including, without limitation, third-party software licensing, order management systems, implementation, data management and recovery services and custom development costs); research and market data (including, without limitation, any computer hardware and connectivity hardware (e.g., telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); compliance and regulatory expenses for the Funds (including, without limitation, fees and expenses with respect to any U.S. Foreign Account Tax Compliance Act and OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard compliance and required reporting such as Form PF or Form 13F or in connection with the EU Directive 2011/61/EU on Alternative Investment Fund Managers); administrative expenses (including fees and expenses of the Fund's administrator); legal expenses in connection with the Fund's ongoing operations (including the updating of the Fund's offering documents, processing transfer requests and negotiations with prospective investors); external accounting and valuation expenses; audit and tax return preparation

and filing expenses; costs related to errors and omissions insurance and directors and officers insurance for the Funds' General Partners and the Investment Manager (proportionately shared by the Investment Manager and the Funds); insurance covering the Funds' directors; fees and expenses of the directors; fees and expenses of the Fund's governance committee; costs of printing and mailing reports and notices; taxes (including, without limitation, any backup withholding, investor-related taxes and any amounts assessed or collected under any provision of the U.S. Bipartisan Budget Act of 2015, as amended, or any similar state or local tax rules) imposed or assessed on, or payable by, the Funds (including any interest and penalties); all registration fees, filing fees and other expenses charged by the jurisdictions in which the Funds was formed; organizational expenses; offering expenses; indemnification expenses; and extraordinary expenses.

In general, each Investor will bear its proportionate share of the Funds expenses on a pro rata basis with respect to the size of such Investor's capital account(s) or with respect to the relative net asset value of the shares held by such Investor, as applicable.

Notwithstanding the foregoing, the Funds' General Partners and/or the Firm, as applicable, reserves the right to specially allocate the expenses described herein in any other manner, including by allocating certain expenses to certain (but not all) Investors, if the Funds' General Partners and/or the Firm, as applicable, reasonably determines, in its discretion, that it is more equitable to do so.

To the extent that expenses to be borne by the Funds are paid by the Firm or its affiliates, the Funds will reimburse the Firm or its affiliates for such expenses. We may waive any such reimbursement with respect to any Funds expenses. Any waiver by us for reimbursement of any Funds expenses shall not serve as a waiver of reimbursement for any future Funds expenses to be paid by us or our affiliates.

Except as otherwise set forth within the Managed Accounts' investment management agreements, the Managed Account clients shall bear all expenses with respect to matters contemplated thereunder (and shall promptly reimburse the Firm for any such expenses incurred by the Firm in connection therewith), except that the Firm shall be solely responsible for (a) any costs and expenses associated with office overhead necessary for the Firm's operations, including but not limited to administrative expenses, office expenses, rent, utilities and other ordinary and recurring expense of management, and (b) employment expenses and the compensation of the Firm's personnel or employees. For the avoidance of doubt, all valuation and trading-related expenses associated with the Managed Account, including but not limited to, all custodial fees, brokerage commissions, clearing fees, interest, withholding or transfer taxes incurred will be borne by the Managed Account clients. Additionally, the Managed Account clients shall pay all charges, fees and expenses of the prime broker, any custodians and any sub-custodian(s). The Managed Account clients shall be responsible for any custodial arrangements, and, except as may otherwise be set forth herein, the Firm shall have no liability or responsibility with respect to the custodial arrangements including the appointment of any sub-custodian(s) by the Managed Account clients or the prime broker, or the acts, omissions or other conduct of the prime broker, or any other custodians or sub-custodian(s), including in the event of any bankruptcy, insolvency, receivership, administrative or similar proceeding involving the prime broker or any other custodian or sub-custodian(s).

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

As described above, the Funds' General Partners will receive the performance-based Incentive Allocation in connection with the management of certain Series of investments within the Funds, and an Incentive Fee from each Managed Account client. The Incentive Allocation is not the product of an arm's length negotiation with any third party, and, because the Incentive Allocation is calculated on a basis which includes unrealized appreciation of the Funds' portfolios, it may be greater than if such compensation were based solely on realized gains. Additionally, to the extent that Antara has Clients with varying Incentive Allocation or Incentive Fee terms (including amount, timing, waterfall conditions or other terms) and/or Antara personnel are assigned varying percentages of Incentive Allocation or Incentive Fees from the Clients, Antara and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for Clients from which they are entitled to receive a higher Incentive Allocation percentage.

The Incentive Allocation and Incentive Fee may create an incentive for the Investment Manager to make investments on behalf of a Fund or Client that are riskier or more speculative than would be the case if a performance-based compensation arrangement were not in effect. However, Antara generally considers performance-based compensation to better align its interests with those of its investors. Antara seeks to address the potential for conflicts of interest in these matters with allocation policies and practices that provide that transactions and investment opportunities will be allocated to the Clients in accordance with each Client's investment guidelines and governing documents, as well as other factors that do not include the amount of Incentive Allocation or Incentive Fee received by Antara or any personnel.

Item 7: Types of Clients

Our Clients will be the Funds and the Managed Accounts. We may serve as investment manager to other client accounts in the future. The Funds generally include investment partnerships or other investment entities formed under non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds and Managed Accounts generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of Antara and its affiliates and members of their families, or other service providers retained by Antara, as well as executives of portfolio companies.

Investors will generally be required to make a minimum initial investment of \$5,000,000, subject to our discretion to waive such minimum initial investment or accept lesser amounts or establish different minimums in the future. Interests will be offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements to comply with applicable federal securities laws and regulations.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued, and investments made by us on behalf of our Clients, should not be

understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy, and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Investment Objective

The Investment Manager seeks to generate attractive, risk-adjusted returns across market cycles. The Investment Manager aims to achieve this objective by investing in distressed/stressed/event driven credit and special situation equities, adjusting asset allocation fluidly as the market environment changes. The Investment Manager will focus on research-oriented situations that provide the potential to influence the trajectory of outcomes and actively create upside opportunities. Extending beyond the traditional approach to credit, the Investment Manager will take an active approach at two levels of its investment process: position-level trade structuring and portfolio-level trading. The Investment Manager seeks to balance the two with stringent risk management, emphasizing capital preservation. There can be no assurance that the Funds will achieve their objectives or avoid significant losses.

Investment Strategy

The Funds will invest opportunistically across the capital structure in catalyst driven situations, with a focus on mid-cap and select small/large-cap companies. In addition, the Funds may invest in the following:

- Distressed/stressed/event driven credit strategies involving the financial instruments of companies (including but not limited to levered loans, high yield bonds, busted converts, post-reorganization equities, certificates of deposit and trade claims), that are subject to bankruptcy, liquidation, out-of-court restructurings, exchange offers, litigation and/or any other corporate reorganization;
- Special situation equities are the subject of catalysts/events and corporate actions that can increase or diminish value, including but not limited to spin-offs, divestitures, acquisitions/transformational mergers, busted deals, activist situations, share repurchases, recapitalizations, dividends, sum-of-the-parts discounts, regulatory changes, legal decisions, and management changes
- Select investment opportunities flexible universe of financial instruments across capital structures and geographies, including investments in financial instruments of companies subject to legal or regulatory situations that provide attractive value. The Fund may also acquire litigation claims and litigation stubs as investment opportunities; and
- The Funds will seek to short single name credits, not for the sole purpose of hedging, but also to generate alpha.

The Funds may invest globally in a wide range of financial instruments across the capital structure, including but not limited to listed and unlisted equities, bonds, trade claims, loans, derivative products, municipal debt, sovereign debt, currencies, and other asset classes. This includes but is not limited to common stocks, preferred stocks, stock options, warrants and rights, trade claims, debentures, notes, convertible securities, bonds, loans, debtor-in-possession financing, rescue financing, and other debt obligations and equity stakes, options (both listed and unlisted) on stock market indices, futures and options on futures, forward rate agreements, swaps, or other collective investment schemes. The Funds may purchase and/or sell equity swaps, interest rate and cross currency swaps, contracts for differences, credit

default swaps, and other asset classes and derivatives thereon as the Investment Manager deems appropriate. The Funds are not limited in the types of financial instruments they can own or short unless otherwise specified herein.

For the SPAC Fund, the Investment Manager seeks to generate attractive, risk-adjusted returns across market cycles. The Investment Manager aims to achieve this investment objective by investing, directly or indirectly, in: (i) securities issued by blank check special purpose acquisition companies or similar collective investment structures (“**SPACs**”), including any shares of class A common stock (or the equivalent), any founder v (or promote) shares, any performance shares, any warrants to purchase any securities issued by a SPAC or any other securities of a SPAC received directly or indirectly upon the exercise, conversion or exchange of any of the foregoing; (ii) any securities issued by a SPAC pursuant to private investments in public equities (“**PIPE**”) transactions; (iii) membership or similar interests issued by any entities that serve as sponsors of SPACs (“**SPAC Sponsors**”); and (iv) derivative instruments relating thereto. The SPAC Fund’s investments will include common equities, derivative instruments and other securities including the selling short of such securities and the use of leverage against such long and short positions. There can be no assurance that the SPAC Fund will achieve its objective or avoid significant losses.

As of December 31, 2023, the SPAC Fund is no longer making new investments, *provided, however*, that the Investment Manager may make those investments it considers in its sole discretion to be necessary or advisable to preserve, protect, support or enhance the value of the existing investments in the SPAC Fund.

The Firm’s investment objective and strategy for the Managed Accounts shall be to maximize total return through current income and capital appreciation of the Managed Accounts, principally by investing in credit securities.

Risk Factors

Prospective Investors should carefully consider the risks involved in an investment in the Funds, including, without limitation, those discussed below. Additional or new risks not addressed below may affect the Funds. The following list of risk factors cannot and is not intended to be exhaustive. Prospective Investors should consult their own legal, tax and financial advisers about the risks of an investment in the Funds. The following risk factors and other relevant risks could have a material adverse effect on the Funds and the Investors’ investments therein.

Risk of Loss. No guarantee or representation is made that the Funds’ investment programs, including, without limitation, the Funds’ investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. *Past investment results of the investments otherwise made by the investment professionals of the Investment Manager are not necessarily indicative of the Funds’ or the Investment Manager’s future performance.*

General Economic and Market Conditions. The success of the Funds’ activities will be affected by general economic and market conditions outside of the Investment Manager’s control, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds’ investments), disease, pandemics or other severe public health events, trade barriers, currency exchange controls, and national and international political circumstances (including government shutdowns, wars, terrorist acts or security operations). For example, there have been recent outbreaks globally of the highly transmissible and pathogenic novel coronavirus. The outbreak of such communicable diseases could result in a widespread health crisis that could adversely affect general

commercial activity and the economies and financial markets of many countries, including the potential for global recession. These factors may also affect the level and volatility of securities prices and the liquidity and the value of investments and have a material adverse effect on the Funds.

General Risks Associated with Credit Strategies. The Funds will invest in some credit instruments issued by distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Evaluating reorganizations and bankruptcies can be a complex, time consuming and expensive process that requires specialized expertise. Although such investments have the potential to achieve significant returns, they involve a high degree of risk, and may fail to show any return for a considerable period of time or result in substantial or complete loss. There is no assurance the Investment Manager will accurately evaluate the prospects for a profitable return on the Funds' investments. While exit from distressed trading strategies may come through recovery and/or appreciation and subsequent sale in financial markets, other means of exit take alternate and sometimes suboptimal forms, including, but not limited to: (i) a refinancing, sometimes providing for withdrawal of positions held by the Funds; (ii) reset terms and conditions, including but not limited to a longer tenure and/or a diminished coupon; (iii) conversion of debt instruments to further subordinated debt, hybrid, or equity securities; (iv) sale of the entire company to a strategic or financial buyer; (v) government nationalization; (vi) liquidation of assets or creation of liquidation trusts for assets; and (vii) cash settlement of claims from others involved in restructuring.

Certain of these exit strategies may go beyond the expected tenure of the trading strategy and adversely impact liquidity, volatility and pricing. Many of the events within a bankruptcy case are adversarial and often beyond the control of creditors. There can be no assurances that the Funds will be able to adequately exercise and/or enforce its full rights under the stated terms of its investments, or that any actions taken by the Funds will be either beneficial or not harmful to final recovery value. In some situations, the market of available dealers for distressed positions may constrict and could impact the willingness to purchase or repurchase at an expected or modeled fair market value. Consequently, the Funds may sometimes exit positions at times or under conditions different than initially anticipated and accept substantial losses.

High-Yield and Distressed Securities. The Funds expect to trade high-yield and distressed credit instruments. These instruments are subject to substantial risk of default, bankruptcy, moratorium, etc., as they are by definition issued by or referenced to issuers in precarious and often declining financial condition.

Valuing high-yield and distressed credit instruments is an inherently uncertain process due to the lack of available market prices and the uncertain financial condition of the issuers (and the lack of reliable information concerning such issuers' financial condition).

The mispricings on which the Funds will attempt to capitalize in its investing reflect both the risk and the uncertainty of high-yield and distressed investments. The long-term and illiquid nature of many of these investments increases their risk, as the Funds will generally be unable to exit these investments in order either to recognize profits or limit losses. High-yield and distressed securities exhibit high mark-to-market volatility, require extensive due diligence and medium- to long-term holding periods, are generally illiquid and demand constant monitoring and carefully engineered exit strategies.

Special Situation Investments. The Funds will invest in companies undergoing significant economic and corporate change, such as companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such

distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of its entire investment in such companies. Due to the inherently speculative nature of this activity, the results of the Funds' operations may fluctuate from month to month and from period to period, and the returns generated from such an investment program may not adequately compensate investors for the business and financial risk assumed.

Event-Driven Strategies. The success of event-driven strategies depends on the successful prediction of whether various corporate events will occur or be consummated. When the Investment Manager determines that a merger, exchange offer or tender offer transaction may be consummated, the Funds may purchase securities at prices only slightly below the anticipated value to be paid or exchanged for such securities in the merger, exchange offer or tender offer, and substantially above the prices at which such securities traded immediately prior to the announcement of the merger, exchange offer or tender offer. The consummation of mergers, exchange offers, tender offers and other similar transactions can be prevented or delayed, or the terms changed, by a variety of factors. If the proposed transaction later appears unlikely to be consummated or is delayed, the market price of the securities may decline sharply by more than the difference between the purchase price and the anticipated consideration to be paid, resulting in a loss to the Funds.

Active Management. The Investment Manager may from time to time attempt to exert management control over the reorganization process of or otherwise actively engagement with the Funds' portfolio companies. Active management is unusually resource-intensive and the Investment Manager's more limited resources may put it at a competitive disadvantage.

Structured Credit Products. Special risks may be associated with investments in structured credit products, collateralized debt obligations, synthetic credit portfolio transactions and asset-backed securities. For example, synthetic portfolio transactions may be structured with two or more classes of tranches that receive different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of a tranche may be extremely sensitive to the rate of defaults in the underlying reference portfolio. A rapid change in the rate of defaults may have a material adverse effect on the yield to maturity. It is therefore possible that the Funds may incur losses on its investments in structured products regardless of their ratings by S&P or Moody's. Additionally, the securities in which the Funds is authorized to invest include securities that are subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. Securities subject to resale restrictions may sell at a price lower than similar securities that are not subject to such restrictions.

Financing Arrangements; Availability of Credit. The Funds may use leverage as part of the Funds' strategies, and, as a result, the Funds may depend on the availability of credit in order to finance its portfolio. There can be no assurance that the Funds will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that provide financing to the Funds can apply essentially discretionary margin, haircut, financing, security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel the Funds to liquidate all or a portion of its portfolio at disadvantageous prices.

During the 2008 financial crisis the availability of financing for speculative strategies was materially restricted. In addition, many dealers materially increased the cost and margin requirements applicable to outstanding financing, which materially adversely affected certain funds.

Interest Rate Risk. The Funds are subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. The risk will be greater for long-term securities than for short term securities. The Investment Manager may attempt to minimize the exposure of its portfolio to interest rate changes through the use of interest rate swaps, interest rate futures, interest rate options and/or other financial instruments. However, there can be no guarantee that the Investment Manager will be successful in fully mitigating the impact of interest rate changes on the Funds' portfolios. To the extent that interest rate assumptions underlie the thesis of a particular position, fluctuations in interest rates could invalidate those underlying assumptions.

The Federal Reserve and other central banks around the world have lowered interest rates to historically low levels. It is reasonable to assume that, if and when normal economic conditions return, interest rates will rise. Rising interest rates could lead to material losses in the Funds and interest rate increases generally will increase the interest carrying costs to the Funds of borrowed securities, as well as the cost of leverage, if any, used by the Funds.

Directional Trading. Certain of the positions taken by the Funds will be designed to profit from forecasting absolute price movements in a particular instrument or asset class. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

Default Risk. It is generally anticipated that conventional debt will be paid as due, barring unexpected developments. Nonetheless, there exists the risk of default. The Investment Manager will attempt to reduce default risk through diversification and research (both on a country-by-country and issuer-by-issuer basis).

The Investment Manager recognizes that economic disruptions in a country in which the Funds is invested may lead to a material, if not complete, loss on the Funds' investment in that economy. The Investment Manager will diversify country risk by investing in a number of different countries and will attempt to position the Funds' portfolio so as to reduce the risk of "domino effect" defaults across related economies. However, the Investment Manager has no means of predicting where political or economic unrest will develop. The Funds may suffer from major defaults in the countries in which it is invested, while at the same time other sectors in general might be profitable for other investors.

Lack of Effective Securities Interests. Certain higher risk debt investors make a policy of acquiring only secured debt so that they have good assurances of receiving back their principal even in the event of a default. In the case of the Funds, on the other hand, the Investment Manager recognizes that certain instruments may not be paid in full and, in fact, may be a complete loss. In addition, when the Funds hold participations in a loan, the Funds may not have the right to vote for or waive enforcement of any default by an obligor, and/or the selling institution may not consider the interests of the Fund in connection with its actions.

Short Selling. A short sale in equity creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. In credit short sales the risk of loss is generally limited by spread tightening to risk free rate or zero bound in the case of credit default swaps. There can be no

assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds can be “bought in” (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the Funds may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Funds secure a “good borrow” of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the Fund-to-fund security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the Funds.

Leverage and Borrowing

Leverage for Investment Purposes. The Funds may use leverage in the Investment Manager’s discretion. The use of leverage will allow the Funds to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the Funds’ portfolios. The effect of the use of leverage by the Funds in a market that moves adversely to its investments could result in substantial losses to the Funds, which would be greater than if the Funds were not leveraged.

Borrowing for Cash Management Purposes. The Funds have the authority to borrow for cash management purposes, such as to satisfy redemption requests.

Collateral. The instruments and borrowings that may be utilized by the Funds to leverage investments may be collateralized by all or a portion of the Funds’ portfolio. Accordingly, the Funds may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure the Funds’ margin accounts decline in value, the Funds could be subject to a “margin call,” pursuant to which the Funds must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the Funds can apply essentially discretionary margin, “haircut,” financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Funds may have similar rights. There can be no assurance that the Funds will be able to secure or maintain adequate financing.

Costs. Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Funds’ portfolios.

Hedging Transactions. The Funds may utilize securities for risk management purposes in order to: (i) protect against possible changes in the market value of the Funds’ investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Funds’ unrealized gains in the value of its investment portfolio; (iii) facilitate the sale of any securities; (iv) enhance or preserve returns, spreads or gains on any security in the Funds’ portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Funds’ securities; (vii) protect against any increase in the price of any securities the Funds anticipate purchasing at a later date; or (viii) act for any other reason

that the Investment Manager deems appropriate. The Funds will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. The Investment Manager may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Concentration of Investments. The Funds may, from time to time, hold concentrated positions in securities and other instruments, which may result in significant concentrations in particular markets, sectors and geographies. This concentration may magnify the volatility of the Funds' portfolios.

Significant Positions. The accumulation of a significant position in the shares of a single issuer could lead to increased compliance or legal risk and expense. The Funds may acquire more than 5% of a class of securities of a single issuer traded in the U.S., which would require the filing of a Schedule 13D or 13G statement with the SEC. In addition, the Funds may acquire a percentage of securities that are traded in non-U.S. jurisdictions that would trigger regulatory reporting or other statutory requirements in other countries (e.g., filing a voting rights disclosure, making a mandatory tender offer). In such circumstances, the Funds may incur legal or other expenses in connection with its compliance with the relevant law. In carrying out the investment strategy, the Investment Manager may make contact with other shareholders of the securities of a portfolio company. The Investment Manager does not intend to form a group with such shareholders or to act in concert with them. Nonetheless, the SEC or foreign regulator may find that the Funds is part of a group or acting in concert with other shareholders, such that the Funds' holdings should be aggregated with those of the other shareholders. Such aggregation may result in the Funds' positions exceeding the threshold for disclosure filings or other statutory requirements.

Competition; Potential Strategy Saturation. Despite the specialized, "niche" character of the Funds' portfolio, the Funds will compete with numerous other private investment funds and financial institutions (both diversified and specialized funds), as well as other investors, which pursue similar strategies and many of which have resources substantially greater than the Funds'.

The amount of capital committed to "alternative investment strategies" and credit-related strategies has increased dramatically during recent years and at the same time, market conditions have become significantly more adverse to many of such strategies than they were in previous years. The profit potential of the Funds may be materially reduced as a result of the "saturation" of the alternative investment field.

Potential Involvement in Litigation. Some of the tactics that the Funds may use may result in litigation. The Funds could be a party to, or otherwise have exposure to, lawsuits that it initiates or that are initiated by a company in which the Funds invest, other shareholders, or state, federal or other governmental bodies. Additionally, as a result of the Funds' potential investments in distressed investments and the possibility that the Investment Manager may participate in restructuring activities, it is possible that the Funds may become involved in litigation respecting creditor disputes and similar issues among classes of claimants. The Funds may be subject to third-party litigation arising from investors' dissatisfaction with the performance of the Funds' investments or based on claims that the Funds improperly exercised control or influence over portfolio investments. Litigation entails expense and the possibility of counterclaims against the Funds including the Fund General Partners and the Investment Manager and ultimately judgments may be rendered against the Funds for which the Funds does not carry insurance. Regardless of the outcome, any such litigation or investigation may reduce the time and attention that the Investment Manager can devote to the Funds, and may detract from the Investment Manager's ability to advise the Funds.

Litigation Finance. The Funds' investments may require an evaluation of the outcome and timing of a dispute resolution process. Regardless of the amount of research and other due diligence that may be

performed, predicting the outcome of litigation or other dispute resolution processes is inherently uncertain and depends on a variety of circumstances that may be unrelated to the legal merits of the substantive claims of the parties, including uncertainty regarding the application of law to particular facts, disputed factual records and testimony, unforeseen procedural issues, uneven quality of advocacy, misapplication of settled law by a judge or jury, or settlement dynamics in which the motivations of the parties may be unrelated, in whole or in part, to the merits of the dispute. Since the expenditures in this type of investment generally do not involve the acquisition of any assets having any residual value, an unfavorable outcome typically will result in a complete loss of the Funds' investment.

Other Litigation Situations. The Funds may seek to invest in companies involved in litigation or restructuring on the basis of the Investment Manager's assessment of the likely outcome of such litigation and/or the impact of the bankruptcy process on the company. The Funds may also invest in companies that are likely to be subject to reorganization, including as a result of a major litigation involving such company. Predicting the outcome of litigation or restructuring is speculative by nature and could involve lengthy delays following an appeal or an indirect attack on the outcome. The Investment Manager may invest in issuers which were — as entities, at the senior management level or both — the subject of criminal and administrative proceedings. These investments involve a particularly high degree of risk and uncertainty due to the unpredictability (and often politically motivated and discretionary) outcome of such proceedings and the risk of government cancellation of franchises and licenses necessary for continued operations.

Inside Information. From time to time, the Investment Manager or its affiliates may come into possession of material, non-public information concerning an entity in which the Funds has invested or proposes to invest. This is particularly relevant to the Investment Manager because its personnel are expected to occasionally serve as directors of the Funds' portfolio companies. In addition, Investment Manager personnel conduct extensive research, including by communicating with former or current employees of portfolio companies, which creates a risk that material, non-public information may be disclosed to them. Applicable law may limit the ability of the Funds to buy or sell securities of such entity while such information remains non-public and material. The resulting illiquidity may result in delays and additional costs, and transactions may be possible only at substantial discounts.

Insufficient Collateral. To the extent the Funds originate loans based partly upon the adequacy of the borrower's collateral, an incorrect valuation of such collateral may result in unforeseen losses. Despite performing due diligence on the collateral, including, where appropriate, by engaging third-party independent valuers to estimate the value of the collateral pledged by the borrower, the inherent uncertainty of valuation of collateral may result in values that differ significantly from the values that can ultimately be obtained for such collateral. In addition, even if collateral is initially valued correctly, changes in market conditions, regulations or other circumstances, or changes directly related to such collateral, may materially adversely affect the value thereof.

Secured Loans. The Funds may be exposed to losses resulting from default and enforcement of security. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien may each be of great importance. The Funds cannot guarantee the adequacy of the protection of the Funds' interests, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, the Funds cannot be certain that claims may not be asserted that might interfere with enforcement of the Funds' rights. In the event of enforcement of the security for a loan in certain jurisdictions, the Funds may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the relevant loan, resulting in a loss to the Funds. Any costs or delays involved in the enforcement of the security for a loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

Lower Credit Quality Loans. There are no restrictions on the credit quality of the Funds' loans. Loans arranged or purchased by the Funds may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain of the loans which the Funds may acquire have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than higher quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these loans also tend to be more sensitive to changes in economic conditions than better quality loans.

DIP Loans. The Funds may, directly or through affiliated entities, opportunistically invest in debtor-in-possession ("DIP") loans. DIP loans involve a fundamental credit risk based on the borrower's ability to make principal and interest payments and the inherent risks of the bankruptcy process. DIP loans are subject to a court approval process in which parties-in-interest may be heard but there can be no assurance that the Funds would be successful in obtaining favorable results. If the calculations of the Investment Manager as to the outcome or timing of reorganization are inaccurate, a company that has filed for bankruptcy may not be able to make payments on a DIP loan on time or at all. In addition, DIP loans may be privately negotiated transactions, each of which has individualized terms. These positions may be illiquid and difficult to value. DIP loans may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the borrower and general market liquidity.

Borrower Fraud. Of paramount concern in investing in loans and other debt instruments is the possibility of fraud, material misrepresentation or omission on the part of the borrower or the lack of adequate documentation or any documentation regarding such loans and debt obligations. Such occurrences may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Funds to perfect or effectuate a lien on the collateral securing the loan. The Funds will rely upon the accuracy and completeness of representations made by borrowers and lenders to the extent reasonable, but cannot guarantee such accuracy or completeness or the adequacy or existence of required documentation. Under certain circumstances, payments to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Risks Related to Methods of Analysis

Fundamental Analysis. Trading decisions made by the Investment Manager will be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. Fundamental market information is subject to interpretation. To the extent that the Investment Manager misinterprets the meaning of certain data, the Funds may incur losses.

Reliance on Corporate Management and Financial Reporting. Many of the strategies implemented by the Funds rely on the financial information made available by the issuers in which the Funds invest. The Investment Manager will have no ability to independently verify the financial information disseminated by the many issuers in which the Funds invest and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Past events have demonstrated the material losses which investors can incur as a result of corporate mismanagement, fraud and accounting irregularities.

Environmental, Social and Governance ("ESG") Matters. Antara maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that Antara will be able to successfully implement its ESG policy or to make investments in companies that create a positive ESG impact while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Antara, or any judgment exercised by Antara, will reflect the beliefs or values of any particular

investor. There are also significant differences in interpretations of what positive ESG characteristics mean by region, industry and topic. Antara's interpretations and decisions are expected to differ from others' views and could also evolve over time. In addition, in evaluating an investment, Antara expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Antara to incorrectly assess a company's ESG practices and/or related risks and opportunities. Antara does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on Antara's view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG Policies, which could negatively impact Antara's performance. For avoidance of doubt, however, Antara does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Antara's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Antara's ESG policies could become subject to additional regulation in the future, and Antara cannot guarantee that its current approach will meet future regulatory requirements.

Risks Related to Specific Investments

Debt Instruments. The debt instruments in which the Funds will invest may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The Funds will invest in non-investment grade debt securities, which are typically subject to greater market fluctuations and risks of loss of income and principal than lower yielding, investment grade securities and are often influenced by many of the same unpredictable factors which affect equity prices. In addition to the sensitivity of debt securities to overall interest-rate movements, debt securities involve a fundamental credit risk based on the issuer's ability to make principal and interest payments on the debt it issues. The Funds' investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market's perception of any particular issuer's creditworthiness, which may inhibit such issuer's ability to refinance, restructure or otherwise experience recovery. The Funds also will invest in certain hybrid debt arrangements, which are subject to risks in addition to the conventional risks of general interest-rate movements and the issuer's ability to pay the debt in accordance with its terms.

Distressed and Defaulted Credits. The Funds will invest in securities of issuers in weak financial condition or default, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or involved in bankruptcy or reorganization proceedings. Investments of this type may involve substantial financial and business risks that can result in substantial or at times even total losses. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and a tribunal's power to disallow, reduce, subordinate, or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. In liquidation

(both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (*e.g.*, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security in respect to which such distribution was made.

Bank Loans. The Funds will invest in loans and participations therein originated by banks and other financial institutions. These investments may include highly leveraged loans to borrowers whose credit is rated below investment grade. Such loans are typically private corporate loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks and financial institutions. In order to induce the lenders to extend credit and to offer a favorable interest rate, the borrower often provides the lenders with extensive information about its business that is not generally available to the public. To the extent that the Funds obtain such information and it is material and nonpublic, the Funds will be unable to trade in the securities of the borrower until the information is disclosed to the public or otherwise ceases to be material, nonpublic information.

The Funds may invest directly or through participations in loans with revolving credit features or other commitments or guarantees to lend funds in the future. A failure by the Funds to advance requested funds to a borrower could result in claims against the Funds and in possible assertions of offsets against amounts previously lent.

The Funds may acquire interests in bank loans and other debt obligations either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. A participation interest in a portion of a debt obligation typically results in a contractual relationship with only the institution acting as a lender under the credit agreement, not with the borrower. As a holder of a participation interest, the Funds generally will have no right to exercise the rights of the lender under the credit agreement, including the right to enforce compliance by the borrower with the terms of the loan agreement, approve amendments or waivers of terms, nor will the Funds have any rights of set-off against the borrower, and the Funds may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Funds will be exposed to the credit risk of both the borrower and the institution selling the participation.

Risks Associated with Issuers in Bankruptcy and/or Liquidation. Investments made by the Funds may be non-performing or in default, and the issuer or obligor may be forced to enter into bankruptcy or liquidation proceedings. Events within a bankruptcy case are frequently adversarial and beyond the control of creditors. While creditors generally are afforded an opportunity to object to significant actions, a bankruptcy court may approve actions that may be contrary to the interests of the Funds. Furthermore, creditors and equity holders may lose their ranking and priority when they take over management and functional operating control of a debtor.

The duration of a bankruptcy cannot be estimated with any degree of certainty. Generally, no interest will be permitted to accrue during, and, therefore, return on investment may be adversely affected by, the passage of time during which a plan of reorganization of a debtor is being negotiated, approved by the creditors and confirmed by a bankruptcy court.

The Investment Manager, on behalf of the Funds, may seek representation on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of the Funds' position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the Investment Manager concludes that its

obligations owed to the other parties as a committee or group member conflict with its duties owed to the Funds, it may decide to resign from that committee or group, and the Funds may not realize the benefits, if any, of the Investment Manager's participation on the committee or group. In addition, if the Funds are represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in that debtor while it continues to be represented on such committee or group.

Special Situation Investments. The Funds will invest in companies undergoing significant economic and corporate change, such as companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of its entire investment in such companies. Due to the inherently speculative nature of this activity, the results of the Funds' operations may fluctuate from month to month and from period to period, and the returns generated from such an investment program may not adequately compensate investors for the business and financial risk assumed.

Event-Driven Strategies. The success of event-driven strategies depends on the successful prediction of whether various corporate events will occur or be consummated. When the Investment Manager determines that a merger, exchange offer or tender offer transaction may be consummated, the Funds may purchase securities at prices only slightly below the anticipated value to be paid or exchanged for such securities in the merger, exchange offer or tender offer, and substantially above the prices at which such securities traded immediately prior to the announcement of the merger, exchange offer or tender offer. The consummation of mergers, exchange offers, tender offers and other similar transactions can be prevented or delayed, or the terms changed, by a variety of factors. If the proposed transaction later appears unlikely to be consummated or is delayed, the market price of the securities may decline sharply by more than the difference between the purchase price and the anticipated consideration to be paid, resulting in a loss to the Funds.

SPACs. The Antara Fund has made, and expects to make, direct investments in the stock, warrants and other securities (including PIPEs) of SPACs, and the Antara Fund further has made significant investments in the stock, warrants, and other securities (including PIPEs) of SPACs indirectly through its investment in the SPAC Fund. While the SPAC Fund may selectively invest in specific securities of a particular SPAC, for those SPACs in which the Investment Manager has high conviction, which may include SPACs affiliated with the Investment Manager, the General Partner or their respective associated persons, the SPAC Fund would expect to invest in a variety of such SPAC's securities, typically including the stock, warrants and any subsequent PIPE. Holding multiple investments in the same SPAC magnifies the risk of loss to the SPAC Fund and therefore indirectly the Antara Fund.

A SPAC is typically a publicly traded company that raises investment capital via an initial public offering (an "IPO") for the purpose of acquiring one or more existing companies (or interests therein) via merger, combination, acquisition or other similar transactions (each, a "**Transaction**"). If a SPAC needs additional capital in order to complete a Transaction (e.g., the acquisition cost of its targeted company exceeds the funds available to the SPAC), it may utilize a PIPE with a select investor or group of investors. If a Fund purchases shares of a SPAC in an IPO it will generally bear a sales commission, which may be significant. The shares of a SPAC are often issued in "units" that include one share of common stock and one right or warrant (or partial right or warrant) conveying the right to purchase additional shares or partial shares. In

some cases, the rights and warrants may be separated from the common stock at the election of the holder, after which they become freely tradeable. After going public and until a Transaction is completed, a SPAC generally invests the proceeds of its IPO (less a portion retained to cover expenses) in U.S. government securities, money market securities and cash. To the extent the SPAC is invested in cash or similar securities, this may impact a Fund's ability to meet its respective investment objectives. If a SPAC does not complete a Transaction within a specified period of time after going public, the SPAC is typically dissolved, at which point the invested funds are returned to the SPAC's shareholders (less certain permitted expenses) and any rights or warrants issued by the SPAC expire worthless. SPACs generally provide their investors with the option of redeeming an investment in the SPAC at or around the time of effecting a Transaction. In some cases, a Fund may forfeit its right to receive additional warrants or other interests in the SPAC if it redeems its interest in the SPAC in connection with a Transaction.

Because SPACs are essentially blank check companies without operating history or ongoing business other than seeking a Transaction, the value of their securities may be particularly dependent on the quality of their management, particularly their ability to identify and complete a profitable Transaction, which in turn is often highly dependent on the industry reputation and standing of the SPAC sponsor and its affiliates. Some SPACs will pursue Transactions only within certain markets, industries or regions, which could increase the volatility of an investment in them. In addition, the securities issued by a SPAC, which may be traded in the over-the-counter market, may become illiquid and/or may be subject to restrictions on resale.

Other risks of a Fund's direct and indirect investments in SPACs include that a significant portion of the capital raised by the SPAC is expended during the search for a target Transaction; an attractive Transaction is not identified at all (or any requisite approvals are not obtained) and the SPAC is required to return any remaining capital to shareholders; a Transaction once identified or effected proves unsuccessful and an investment in the SPAC loses value; the warrants or other rights with respect to the SPAC held by a Fund expire worthless or are repurchased or retired by the SPAC at an unfavorable price; and an investment in a SPAC, including an associated PIPE, is diluted by additional later offerings of interests in the SPAC or by other investors exercising existing rights to purchase shares of the SPAC, including through a PIPE.

Organization of SPACs. The General Partner and a Fund will likely have very limited or no input with respect to the organizational and structural characteristics of each SPAC, including, without limitation, the jurisdiction of organization, form of legal entity, legal structure and tax treatment of each SPAC, each of which will be determined by the relevant SPAC issuer. Any organizational and structuring decisions made by such SPAC issuers could result in decisions that are adverse to the interests of a Fund and its Limited Partners.

Availability of Exposure to SPAC Investments. There can be no assurance that there will be SPAC-related investment opportunities that meet a Fund's investment criteria or, if such investment opportunities exist, that a Fund will be able to make such investments. There can be no assurance that a Fund will be presented with an adequate number of investment opportunities to fulfil its anticipated strategy. Changes in various factors (including, among others, general economic conditions, regulatory conditions, general political conditions, securities markets conditions and tax burdens) may also adversely affect the availability of suitable and attractive investment opportunities. No assurance can be given that investment opportunities can be sourced, acquired, financed or disposed of at favorable prices or terms or that perceived trends in the market will continue, because this will depend on events and factors outside the control of a Fund's general partner and the Investment Manager. Accordingly, no assurance can be given that the General Partner and the Investment Manager will be able to locate suitable investment opportunities in which to deploy a Fund's capital. Investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the SPAC investments to be made by a Fund and, accordingly, will be dependent upon the judgment and ability of a Fund's general partner and the Investment

Manager to identify suitable investments. As a result, there can be no assurance that a Fund will be able to achieve its intended exposure to SPAC investments, including via a Fund's investment in the SPAC Fund.

Past Performance by SPAC Management. Any past experience and performance of a SPAC's management team, if any, is not a guarantee either: (i) that a SPAC will be able to successfully identify a suitable candidate for its initial business Transaction; or (ii) of any results with respect to any initial business Transaction a SPAC may consummate. The historical record of a SPAC's management team's performance is not indicative of the future performance of an investment in a SPAC or the returns it will, or are likely to, generate going forward. An investment in a SPAC is not an investment in a SPAC's management team.

Evaluation of Ability to Achieve its Business Objective. A SPAC is a recently formed company with no operating results. Because it lacks an operating history, there is no basis upon which to evaluate its ability to achieve its business objective of completing its initial business Transaction with one or more target businesses. A SPAC may have no plans, arrangements or understandings with any prospective target business concerning a business Transaction and may be unable to complete its initial business Transaction. If a SPAC fails to complete its initial business Transaction, it will never generate any operating revenues. Moreover, the SPAC's founder shares and warrants expire worthless, which could also adversely impact the Funds.

Limited rights or interests in funds from a SPAC's Trust Account. A SPAC's public shareholders will generally be entitled to receive funds from the SPAC's trust account only upon the earlier to occur of: (i) the completion of its initial business Transaction, and then only in connection with those shares of common stock that such shareholder properly elected to redeem; (ii) the redemption of any public shares properly tendered in connection with a shareholder vote to amend its organizational documents to modify the substance or timing of its obligation to redeem its public shares if it does not complete its initial business Transaction within a specified time following the closing of its initial public offering; and (iii) the redemption of all of the SPAC's public shares if it is unable to complete its initial business Transaction within a specified time following the closing of its initial public offering, subject to applicable law. Generally, in no other circumstances will a public shareholder have any right or interest of any kind in a SPAC's trust account. Holders of warrants will not have any right to the proceeds held in a SPAC's trust account with respect to the warrants. Accordingly, to liquidate the Funds' investment in a SPAC, the Fund may be forced to sell its public shares or warrants, potentially at a loss.

Timeliness of the Completion of its Initial Business Transaction. A SPAC's organizational documents generally provide that it must complete an initial business Transaction before its acquisition deadline. A SPAC may not be able to find a suitable target business and complete its initial business Transaction within such time period. A SPAC's ability to complete its initial business Transaction may be negatively impacted by general market conditions, volatility in the capital and debt markets and the other risks.

If a SPAC has not completed its initial business Transaction before its acquisition deadline, a SPAC generally will: (i) cease all operations except for the purpose of winding up; (ii) as promptly as reasonably possible redeem the public shares, at a per share price, payable in cash, equal to the aggregate amount then on deposit in the SPAC's trust account, divided by the number of then outstanding public shares, which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidating distributions, if any), subject to applicable law; and (iii) as promptly as reasonably possible following such redemption, subject to the approval of a SPAC's remaining shareholders and its board of directors, dissolve and liquidate, subject in each case to any obligations under applicable law to provide for claims of creditors and the requirements of other applicable law. In such case, a SPAC's public shareholders may receive only the initial public offering price per share, or less than such amount per share under certain circumstances, on the redemption of their shares, and the SPAC's warrants will expire worthless.

In addition, any potential target business with which a SPAC enters into negotiations concerning a business Transaction will be aware that the SPAC must complete its initial business Transaction before its acquisition deadline. Consequently, such target business may obtain leverage over a SPAC in negotiating a business Transaction, knowing that if it does not complete its initial business Transaction with that particular target business, it may be unable to complete its initial business Transaction with any target business. This risk will increase as a SPAC gets closer to its acquisition deadline. In addition, a SPAC may have limited time to conduct due diligence and may enter into its initial business Transaction on terms that it would have rejected upon a more comprehensive investigation.

Associated Risks of Pre-Transaction SPACs. The SPAC Fund invests in equity securities and warrants of SPACs, which raise assets to seek potential Transaction opportunities. Unless and until a Transaction is completed, a SPAC generally invests its assets in U.S. government securities, money market securities, and cash. If a Transaction that meets the requirements for the SPAC is not completed within a pre-established period of time (e.g., 18-24 months), the invested funds are returned to the entity's shareholders. Because SPACs have no operating history or ongoing business other than seeking Transactions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable Transaction. Public stockholders of SPACs may not be afforded a meaningful opportunity to vote on a proposed initial Transaction because certain stockholders, including stockholders affiliated with the management of the SPAC, may have sufficient voting power, and a financial incentive, to approve such a transaction without support from public stockholders. As a result, a SPAC that is either seeking a target for a Transaction or have not yet completed a Transaction with an identified target (a **"Pre-Transaction SPAC"**) may complete a Transaction even though a majority of its public stockholders do not support such a Transaction. There is no guarantee that the SPACs in which the SPAC Fund invest will complete a Transaction or that any Transactions that are completed will be profitable. Some SPACs may pursue Transactions only within certain industries or regions, which may increase the volatility of their prices. In addition, these securities, which are typically traded in the over-the-counter market, may be considered illiquid and/or be subject to restrictions on resale. SPACs may also encounter intense competition from other entities having a similar business objective, such as private investors or investment vehicles and other SPACs, competing for the same Transaction opportunities, which could make completing an attractive Transaction more difficult.

Associated Risks of Post-Transaction SPACs. The SPAC Fund invests in companies that are derived from a SPAC. These companies may be unseasoned and lack a trading history, a track record of reporting to investors, and widely available research coverage. Operating companies that have completed a Transaction with a SPAC within the last three years (**"Post-Transaction SPACs"**) are thus often subject to extreme price volatility and speculative trading. These stocks may have above average price appreciation in connection with a potential Transaction with a Post-Transaction SPAC prior to inclusion in the portfolio. The price of stocks included in the portfolio may not continue to appreciate and the performance of these stocks may not replicate the performance exhibited in the past. In addition, Post-Transaction SPACs may share similar illiquidity risks of private equity and venture capital. The free float shares held by the public in a Post-Transaction SPAC are typically a small percentage of the market capitalization. The ownership of many Post-Transaction SPACs often includes large holdings by venture capital and private equity investors who seek to sell their shares in the public market in the months following a Transaction when shares restricted by lock-up are released, causing greater volatility and possible downward pressure during the time that locked-up shares are released.

Non-Diversification Risk. Because the SPAC Fund is a "non-diversified," it may invest a greater percentage of its assets in the securities of a single issuer or a lesser number of issuers than if it was a diversified fund. As a result, the SPAC Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a lesser number of issuers than a fund that invests more widely. This may increase

the SPAC Fund's volatility and cause the performance of a relatively small number of issuers to have a greater impact on the SPAC Fund's performance.

SPAC's Limited Resources and Significant Competition. A SPAC may encounter intense competition from other entities having a business objective similar to its own, including private investors (which may be individuals or investment partnerships), other blank check companies and other entities, domestic and international, competing for the types of businesses it intends to acquire. Many of these individuals and entities are well-established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess greater technical, human and other resources or more local industry knowledge than a SPAC does and its financial resources will be relatively limited when contrasted with those of many of these competitors. While there may be numerous target businesses a SPAC could potentially acquire with the net proceeds of its securities offerings, its ability to compete with respect to the acquisition of certain target businesses that are sizable will be limited by its available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Furthermore, in the event a SPAC seeks shareholder approval of its initial business Transaction and it is obligated to pay cash for shares of its common stock, it will potentially reduce the resources available to the SPAC for its initial business Transaction. Any of these obligations may place a SPAC at a competitive disadvantage in successfully negotiating a business Transaction. If a SPAC is unable to complete its initial business Transaction, its public shareholders may receive only approximately the initial public offering price per share, or less in certain circumstances, on the liquidation of the SPAC's trust account, and its warrants will expire worthless.

Insufficient Net Proceeds of a SPAC's Securities Offerings in the SPAC's Trust Account. Of the net proceeds of a SPAC's securities offerings, only a limited amount will be available to it initially outside the SPAC's trust account to fund its working capital requirements. In the event that its offering expenses exceed its estimate, a SPAC may fund such excess with funds not to be held in the SPAC's trust account. In such case, the amount of funds a SPAC intends to be held outside its trust account would decrease by a corresponding amount. Conversely, in the event that offering expenses are less than its estimate, the amount of funds a SPAC intends to be held outside the SPAC's trust account would increase by a corresponding amount. If a SPAC is required to seek additional capital, it would need to borrow funds from its sponsor, management team or other third parties to operate or may be forced to liquidate. Generally, neither a SPAC's sponsor, members of its management team nor any of their affiliates is under any obligation to loan funds to the SPAC in such circumstances. Any such loans would be repaid only from funds held outside the SPAC's trust account or from funds released to it upon completion of its initial business Transaction. If it is unable to complete its initial business Transaction because it does not have sufficient funds available, a SPAC will be forced to cease operations and liquidate the SPAC's trust account. In such case, its public shareholders may receive only the initial public offering price per share, or less in certain circumstances, and its warrants will expire worthless.

Evaluation of the Risks of any Particular Target Business Operations. Because many SPACs have not yet identified or approached any specific target business with respect to a business Transaction, there is no basis to evaluate the possible merits or risks of any particular target business's operations, results of operations, cash flows, liquidity, financial condition or prospects. To the extent a SPAC completes its initial business Transaction, it may be affected by numerous risks inherent in the business operations with which it combines. For example, if a SPAC combines with a financially unstable business or an entity lacking an established record of sales or earnings, it may be affected by the risks inherent in the business and operations of a financially unstable or a development stage entity. There can be no assurance that a SPAC will properly ascertain or assess all of the significant risk factors or that it will have adequate time to complete due diligence. Furthermore, some of these risks may be outside of a SPAC's control and leave it with no ability to control or reduce the chances that those risks will adversely impact a target business. There can also be

no assurance that an investment in a SPAC's securities will ultimately prove to be more favorable to investors than a direct investment, if such opportunity were available, in a business Transaction target. Accordingly, any of a SPAC's shareholders or warrant holders who choose to remain a shareholder or warrant holder following its initial business Transaction could suffer a reduction in the value of their securities. Such shareholders or warrant holders are unlikely to have a remedy for such reduction in value.

Finding Initial Business Transactions to Meet its General Criteria. Although certain SPACs have identified general criteria and guidelines for evaluating prospective target businesses, it is possible that a target business with which a SPAC enters into an initial business Transaction will not have all of these positive attributes. If a SPAC completes its initial business Transaction with a target that does not meet some or all of these criteria and guidelines, such Transaction may not be as successful as a Transaction with a business that does meet all of its general criteria and guidelines. In addition, if a SPAC announces a prospective business Transaction with a target that does not meet its general criteria and guidelines, a greater number of shareholders may exercise their redemption rights, which may make it difficult for it to meet any closing condition with a target business that requires it to have a minimum net worth or a certain amount of cash. In addition, if shareholder approval of the transaction is required by applicable law or stock exchange rules, or a SPAC decides to obtain shareholder approval for business or other reasons, it may be more difficult for it to attain shareholder approval of its initial business Transaction if the target business does not meet its general criteria and guidelines.

Dilution of the Interest of the SPAC Fund. A SPAC may issue a substantial number of additional shares of its common stock and may issue shares of preferred stock, in order to complete its initial business Transaction or under an employee incentive plan after completion of its initial business Transaction. The issuance of additional shares of common or preferred stock:

- may significantly dilute the equity interest of a SPAC's existing shareholders;
- may subordinate the rights of holders of common stock if preferred stock is issued with rights senior to those afforded a SPAC's common stock;
- could cause a change in control if a substantial number of common stock is issued, which may affect, among other things, a SPAC's ability to use its net operating loss carry forwards, if any, and could result in the resignation or removal of its present officers and directors; and
- may adversely affect prevailing market prices for a SPAC's units, common stock and/or warrants.

Debt Securities of the SPAC. A SPAC may choose to incur substantial debt to complete its initial business Transaction. The incurrence of debt could have a variety of negative effects for a SPAC, including:

- default and foreclosure on a SPAC's assets if its operating revenues after an initial business Transaction are insufficient to repay its debt obligations;
- acceleration of a SPAC's obligations to repay the indebtedness even if it makes all principal and interest payments when due if a SPAC breaches certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- a SPAC's immediate payment of all principal and accrued interest, if any, if the debt is payable on demand;
- a SPAC's inability to obtain necessary additional financing if the debt contains covenants restricting its ability to obtain such financing while the debt security is outstanding;
- a SPAC's inability to pay dividends on its common stock;
- using a substantial portion of a SPAC's cash flow to pay principal and interest on its debt, which will reduce the funds available for dividends on its common stock if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;

- limitations on a SPAC's flexibility in planning for and reacting to changes in its business and in the industry in which it operates;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and
- limitations on a SPAC's ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of its strategy and other purposes and other disadvantages compared to its competitors who have less debt.

Amending the Terms of a SPAC's Warrants. The governing document of a SPAC's warrants typically provide that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision but requires the approval by a certain percentage (typically 50% or 65%) of the holders of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, a SPAC may amend the terms of the public warrants in a manner adverse to a holder if such percentage of holders of the then outstanding public warrants approve of such amendment. Although a SPAC's ability to amend the terms of its public warrants with the consent of the holders of the then outstanding public warrants is typically unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash or stock, shorten the exercise period or decrease the number of shares of its common stock purchasable upon exercise of a warrant.

Offering Price of a SPAC's Units and Size of its IPO. Prior to a SPAC's IPO, there is no public market for any of its securities. The public offering price of the units and the terms of the warrants are negotiated between the SPAC and its underwriters. The determination of a SPAC's offering price is more arbitrary than the pricing of securities of an operating company in a particular industry since it has no historical operations or financial results. There may be less assurance, therefore, that the offering price of a SPAC's units properly reflects the value of such units than an investor would have in a typical offering of an operating company.

Limited Number of SPACS with Publicly Traded Securities. The SPAC Fund may invest in the publicly traded securities of SPACs. While the SPAC marketplace continues to evolve, there are only a limited number of SPAC's with publicly traded securities in existence at a given time, and as a result, the SPAC Fund must select its SPAC investments from a small pool of issuers. Furthermore, the SPAC Fund sells or redeems its SPAC securities, there can be no assurance that there will be additional SPAC securities available to invest in, which would further reduce the SPAC Fund's diversification.

The SPAC Fund's Limited Opportunity to Affect Investment Decisions of a SPAC's Potential Business Transaction. A SPAC may not hold a shareholder vote to approve its initial business Transaction unless the business Transaction would require shareholder approval under applicable law or stock exchange listing requirements or if it decides to hold a shareholder vote for business or other reasons. For instance, if a SPAC were seeking to acquire a target business where the consideration it was paying in the transaction was all cash, it would not be required to seek shareholder approval to complete such a transaction. Except as required by applicable law or stock exchange rules, the decision as to whether a SPAC will seek shareholder approval of a proposed business Transaction or will allow shareholders to sell their shares to the SPAC in a tender offer will be made by the SPAC, solely in its discretion. Accordingly, a SPAC may consummate its initial business Transaction even if holders of a majority of the outstanding shares of its common stock do not approve of the business Transaction a SPAC consummates.

At the time of the SPAC Fund's investment in a SPAC, neither the SPAC Fund nor the Investment Manager will be provided with an opportunity to evaluate the specific merits or risks of the SPAC's initial business Transaction. Additionally, since a SPAC's board of directors may complete a business Transaction without seeking shareholder approval, a SPAC's public shareholders may not have the right or opportunity to vote

on the business Transaction, unless the SPAC seeks such shareholder vote. Accordingly, if a SPAC does not seek shareholder approval, the SPAC Fund's only opportunity to affect the investment decision regarding a potential business Transaction may be limited to exercising the SPAC Fund's redemption rights within the period of time (which will generally be at least twenty (20) business days) set forth in the SPAC's tender offer documents mailed to the SPAC's public shareholders in which it describes its initial business Transaction.

Redemption Rights of SPAC's Public Shareholders. At the time a SPAC enters into an agreement for its initial business Transaction, it will not know how many shareholders may exercise their redemption rights and, therefore, a SPAC will need to structure the transaction based on its expectations as to the number of shares that will be submitted for redemption. If a SPAC's initial business Transaction definitive agreement requires it to use a portion of the cash in the SPAC's trust account to pay the purchase price or requires it to have a minimum amount of cash at closing, a SPAC will need to reserve a portion of the cash in its trust account to meet such requirements or arrange for third-party financing. In addition, if a larger number of shares are submitted for redemption than initially expected, a SPAC may need to restructure the transaction to reserve a greater portion of the cash in its trust account or arrange for third party financing. Raising additional third-party financing may involve dilutive equity issuances or the incurrence of indebtedness at higher than desirable levels. The above considerations may limit a SPAC's ability to complete the most desirable business Transaction available to it or optimize its capital structure.

If a SPAC's initial business Transaction agreement requires it to use a portion of the cash in its trust account to pay the purchase price, or requires it to have a minimum amount of cash at closing, the probability that a SPAC's initial business Transaction would be unsuccessful increases. If a SPAC's initial business Transaction is unsuccessful, the SPAC Fund would not receive its pro rata portion of the SPAC's trust account until the SPAC liquidates its trust account. If the SPAC Fund is in need of immediate liquidity, it could attempt to sell its stock in the open market; however, at such time a SPAC's stock may trade at a discount to the pro rata amount per share in its trust account. In either situation, the SPAC Fund may suffer a material loss on its investment or lose the benefit of funds expected in connection with a SPAC's redemption until it liquidates or the Fund is able to sell its securities in the open market.

Potential Delisting of a SPAC's Securities. Generally, a SPAC's units are listed on a national securities exchange promptly after its initial public offering, and its common stock and warrants are listed on or promptly after their date of separation. There can be no assurance that a SPAC's securities will be, or will continue to be, listed on a national securities exchange in the future or prior to a SPAC's initial business Transaction. In order to continue listing its securities on a securities exchange prior to its initial business Transaction, a SPAC must maintain certain financial, distribution and stock price levels. Additionally, in connection with its initial business Transaction, a SPAC may be required to demonstrate compliance with its securities exchange's initial listing requirements, which generally are more rigorous than continued listing requirements, in order to continue to maintain the listing of the SPAC's securities on such securities exchange.

If a securities exchange delists any of a SPAC's securities from trading on its exchange and the SPAC is not able to list such securities on another national securities exchange, such securities could be quoted on an over-the-counter market. If this were to occur, a SPAC could face significant material adverse consequences, including:

- a limited availability of market quotations for its securities;
- reduced liquidity for its securities;
- a determination that its common stock is a "penny stock" which will require brokers trading in its common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for a SPAC's securities;

- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

SPAC Conducting Redemptions pursuant to the Tender Offer Rules. If a SPAC seeks shareholder approval of its initial business Transaction and it does not conduct redemptions in connection with its initial business Transaction pursuant to the tender offer rules, a SPAC's organizational documents may provide that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "**Exchange Act**")), will be restricted from seeking redemption rights with respect to more than a certain aggregate amount of the shares sold in its initial public offering (typically 15-20%), without its prior consent ("**Excess Shares**"). However, a SPAC would not be restricting its shareholders' ability to vote all of their shares (including Excess Shares) for or against its initial business Transaction. The SPAC Fund's inability to redeem its Excess Shares will reduce the SPAC Fund's influence over a SPAC's ability to complete its initial business Transaction and the SPAC Fund could suffer a material loss on its investment in the SPAC if the SPAC Fund sells before its Excess Shares in open market transactions. Additionally, the SPAC Fund will generally not receive redemption distributions with respect to the before its Excess Shares if a SPAC completes its initial business Transaction. And as a result, the SPAC Fund will continue to hold that number of shares exceeding the applicable threshold and, in order to dispose of such shares, would be required to sell the SPAC Fund's shares in open market transactions, potentially at a loss.

Third Party Claims against a SPAC. A SPAC's placing of funds in the SPAC's trust account may not protect those funds from third party claims against it. Although a SPAC may seek to have all vendors, service providers (other than its independent registered public accounting firm), prospective target businesses or other entities with which it does business execute agreements with it waiving any right, title, interest or claim of any kind in or to any monies held in the SPAC's trust account for the benefit of its public shareholders, such parties may not execute such agreements, or even if they execute such agreements they may not be prevented from bringing claims against the SPAC's trust account, including, but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain advantage with respect to a claim against a SPAC's assets, including the funds held in the SPAC's trust account.

Changes in Laws or Regulations or a Failure to Comply with Any Laws and Regulations. A SPAC is subject to laws and regulations enacted by national, regional and local governments. In particular, a SPAC will be required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on a SPAC's business, investments and results of operations. In addition, a failure to comply with any other applicable laws or regulations, including applicable tax laws or regulations, as interpreted and applied, could have a material adverse effect on a SPAC's business, including its ability to negotiate and complete its initial business Transaction, and results of operations.

Acquisition Opportunities with an Early Stage Company. To the extent a SPAC completes its initial business Transaction with an early stage company, a financially unstable business or an entity lacking an established record of sales or earnings, the SPAC may be affected by numerous risks inherent in the operations of the business with which it combines. These risks include investing in a business without a proven business model and with limited historical financial data, volatile revenues or earnings, intense competition and difficulties in obtaining and retaining key personnel. A SPAC may not be able to properly ascertain or assess all of the significant risk factors and it may not have adequate time to complete due diligence. Furthermore, some of these risks may be outside of its control and leave it with no ability to control or reduce the chances that those risks will adversely impact a target business.

Research of Acquisitions that are Not Completed. The investigation of each specific target business and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments may require substantial amounts of a SPAC's management time and attention and substantial costs for accountants, attorneys and others. If a SPAC decides not to complete a specific initial business Transaction, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, if a SPAC reaches an agreement relating to a specific target business, it may fail to complete its initial business Transaction for any number of reasons including those beyond its control. Any such event will result in a loss to the SPAC of the related costs incurred which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If a SPAC is unable to complete its initial business Transaction, its public shareholders may receive only the initial public offering price per share, or less in certain circumstances, on the liquidation of its trust account and its warrants will expire worthless.

Potential Conflict with a SPAC's Initial Sponsor Shareholders. Since a SPAC's initial shareholders will generally lose their entire investment in the SPAC if its initial business Transaction is not completed (other than with respect to public shares they may acquire), a conflict of interest may arise in determining whether a particular business Transaction target is appropriate for a SPAC's initial business Transaction. The personal and financial interests of a SPAC's sponsor, officers and directors may influence their motivation in identifying and selecting a target business Transaction, completing an initial business Transaction and influencing the operation of the business following the initial business Transaction. This risk may become more acute as the SPAC's acquisition deadline approaches.

Completion of Business Transaction with the Proceeds of the SPAC's Offerings. The net proceeds from a SPAC's securities offerings will provide it with a limited amount that it may use to complete its initial business Transaction. A SPAC may effectuate its initial business Transaction with a single target business or multiple target businesses simultaneously or within a short period of time. However, it may not be able to effectuate its initial business Transaction with more than one target business because of various factors, including the existence of complex accounting issues and the requirement that the SPAC prepare and file pro forma financial statements with the SEC that present operating results and the financial condition of several target businesses as if they had been operated on a combined basis. By completing its initial business Transaction with only a single entity, a SPAC's lack of diversification may subject it to numerous economic, competitive and regulatory risks. Further, a SPAC would not be able to diversify its operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business Transactions in different industries or different areas of a single industry. Accordingly, the prospects for a SPAC's success may be:

- solely dependent upon the performance of a single business, property or asset; or
- dependent upon the development or market acceptance of a single or limited number of products, processes or services.

This lack of diversification may subject a SPAC to numerous economic, competitive and regulatory risks, any or all of which may have a substantial adverse impact upon the particular industry in which it may operate subsequent to its initial business Transaction.

Business Transactions with Multiple Prospective Targets. If a SPAC determines to simultaneously acquire several businesses that are owned by different sellers, a SPAC will need for each of such sellers to agree that its purchase of its business is contingent on the simultaneous closings of the other business Transactions, which may make it more difficult for it, and delay its ability, to complete its initial business Transaction. With multiple business Transactions, a SPAC could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the

operations and services or products of the acquired companies in a single operating business. If a SPAC is unable to adequately address these risks, it could negatively impact its profitability and results of operations.

Initial Business Transaction with a Private Company. In pursuing its acquisition strategy, a SPAC may seek to effectuate its initial business Transaction with a privately held company. Little public information generally exists about private companies, and a SPAC could be required to make its decision on whether to pursue a potential initial business Transaction on the basis of limited information, which may result in a business Transaction with a company that is not as profitable as anticipated, if at all.

Ability to Obtain Additional Financing to Complete Its Initial Business Transaction or to SPAC Fund Operations. Because a SPAC generally has not identified any prospective target business at the time of its IPO, it generally cannot ascertain the capital requirements for any particular transaction. If the net proceeds of a SPAC's securities offerings prove to be insufficient, either because of the size of its initial business Transaction, the depletion of the available net proceeds in search of a target business, the obligation to redeem for cash a significant number of shares from shareholders who elect redemption in connection with its initial business Transaction or the terms of negotiated transactions to purchase shares in connection with its initial business Transaction, a SPAC may be required to seek additional financing or to abandon the proposed business Transaction. There can be no assurance that such financing will be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to complete its initial business Transaction, a SPAC would be compelled to either restructure the transaction or abandon that particular business Transaction and seek an alternative target business candidate. In addition, even if a SPAC does not need additional financing to complete its initial business Transaction, it may require such financing to fund the operations or growth of the target business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target business. Generally, none of a SPAC's officers, directors or shareholders is required to provide any financing to it in connection with or after its initial business Transaction. If a SPAC is unable to complete its initial business Transaction, its public shareholders may receive only the initial public offering price per share, or less in certain circumstances, on the liquidation of the SPAC's trust account, and its warrants will expire worthless.

Speculative Trading. The SPAC Fund may invest in companies that are conducting, or have recently conducted, an initial public offering. The stocks of such companies are often subject to extreme price volatility and speculative trading.

A SPAC's Initial Shareholders' Influence. Upon the closing of a SPAC's IPO, a SPAC's initial shareholders typically own a portion of its outstanding common stock. Accordingly, they may exert a substantial influence on actions requiring a shareholder vote, potentially in a manner that the SPAC Fund will not support, including amendments to its organizational documents.

SPAC's Organizational Documents Potential Restrictions of Takeover of the SPAC. A SPAC's organizational documents may contain provisions that may discourage unsolicited takeover proposals that shareholders may consider to be in their best interests. These provisions include a staggered board of directors and the ability of the board of directors to designate the terms of and issue new series of preferred shares, which may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for its securities.

A SPAC may also be subject to anti-takeover provisions under the laws of its jurisdiction which could delay or prevent a change of control. Together these provisions may make more difficult the removal of a SPAC's management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for its securities and benefit its shareholders, including the SPAC Fund.

Investments in Affiliated SPACs. Subject to applicable legal, regulatory, fiduciary or contractual considerations, the SPAC Fund, either alone or as a co-investment with Other Accounts (as defined in Item 11 below), is expected to invest in SPACs that are sponsored by or affiliated with the Investment Manager, its affiliates or their employees (including the Principal), through receipt of an initial allocation in those SPACs' IPO, a subsequent PIPE in connection with a Transaction or through secondary market purchases. In so doing, the Investment Manager would face a conflict of interest because it has an incentive to use the assets of a Fund to support such affiliated SPAC, and voting affirmatively to support a Transaction or participating in an associated PIPE solely because such SPAC is sponsored by or affiliated with the Investment Manager, its affiliates or their employees (including employees of the Investment Manager), and accordingly stands to benefit materially and potentially disproportionately vis-à-vis other investors therein as a result. This could arise from receipt by the Investment Manager, its affiliates or their employees (including employees of the Manager) of "founders shares," a form of incentive compensation that often has significant embedded value, from the SPAC in connection with the Transaction, benefits to the Investment Manager's business reputation and industry standing, particularly as it relates to its SPAC strategy, generation of new investment opportunities, attraction of new investors and other economic and non-economic benefits for which the SPAC Fund, its limited partners (including a Fund) or the Investors will not be directly compensated. The Investment Manager could also face incentives to cause a Fund to take actions with respect to its SPAC and PIPE holdings that it otherwise would not absent its affiliations with a SPAC, including by continuing to hold onto its investments past the point it otherwise would absent those affiliations, because of the potential financial benefits that would accrue to the SPAC. Other conflicts of interest involving a Fund's transactions in affiliated SPACs and PIPEs in connection with a Transaction are possible, and the Investment Manager can provide no assurance that such conflicts, if they were to arise, will be resolved in a manner favorable to a Fund, including to the extent a Fund obtains such exposure to SPACs as an investor in the SPAC Fund.

Fraudulent Conveyance Considerations. Various laws enacted for the protection of creditors may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary from jurisdiction to jurisdiction. For example, if a court were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest or other lien securing such investment, and, after giving effect to such indebtedness, the borrower (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital or (iii) intended to incur or believed that it would incur debts beyond its ability to pay such debts as they mature, such court could invalidate such indebtedness and such security interest or other lien as fraudulent conveyances, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to the Funds) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness. In addition, if an issuer in which the Funds have an investment becomes insolvent, any payment made on such investment may be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before insolvency.

In general, if payments on an investment are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from the Funds, the resulting loss will be borne by investors in the Funds.

Equities. The Funds may invest its capital in long and short positions in equities, deferred interest obligations and other investments which do not produce current income for the Funds. Common shares and other equity securities can be affected by macro-economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment, changes in a particular issuer's financial condition, or unfavorable or unanticipated poor performance of a particular issuer. Prices of common shares

and other equity securities also can be affected by fundamentals unique to the partnership or company, including earnings power and coverage ratios. Many unforeseeable events, including actions by various government agencies, such as the Federal Reserve Board, and domestic and international political events, may cause sharp market fluctuations. Furthermore, equity investments may be even more susceptible to such events other than types of investments the Funds may make, given their subordinate position in the issuer's capital structure. As such, equity investments generally have greater price volatility than fixed income and other investments with a scheduled stream of payments, and the market price of equity investments is more susceptible to moving up or down in a rapid or unpredictable manner.

Trade and Other General Unsecured Claims. The Funds may acquire interests in claims of trade creditors and other general unsecured claim holders of a debtor ("**Trade Claims**"). Trade Claims generally include, but are not limited to, claims of suppliers for goods delivered and for which payment has not been made, claims for unpaid services rendered, claims for contract rejection and claims related to litigation. Trade claims are typically unsecured and may, in unusual circumstances, be subordinated to other unsecured obligations of the debtor. The repayment of Trade Claims is subject to significant uncertainties, including potential set-off by the debtor, characterization of "preferences" in bankruptcy as well as the other uncertainties described herein with respect to other distressed debt obligations.

Derivative Instruments Generally. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk. Derivatives traded over-the-counter may not have an authoritative source of valuation and the models used to value such derivatives is subject to change. Special risks may apply in the future that cannot be determined at this time with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. The regulatory and tax environment for derivative instruments in which the Funds may participate is evolving, and changes in the regulation or taxation of such securities may have a material adverse effect on the Funds.

Call Options. The seller (writer) of a call option which is covered (*i.e.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. The seller (writer) of a put option which is covered (*i.e.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index or Index Options. The value of an index or index option fluctuates with changes in the market values of the securities included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular security, whether the Funds will realize appreciation or depreciation from the purchase or writing of options on indices depends upon

movements in the level of instrument prices in the security market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular securities.

Index Futures. The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, shareholders may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by the Funds also are subject to the Investment Manager's ability to correctly predict movements in the direction of the market.

Swaps. Whether a Fund's use of swap agreements or swaptions will be successful will depend on the Investment Manager's ability to select appropriate transactions for the Funds. Swap agreements and options on swap agreements ("**swaptions**") can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease the holder's exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Funds' portfolio. Moreover, the Funds bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Funds will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Funds to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Fund's ability to terminate swap transactions or to realize amounts to be received under such transactions.

Futures Contracts. The value of futures contracts depends upon the price of the securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the Fund's positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the U.S. Commodity Futures Trading Commission (the "**CFTC**") could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Forward Contracts. Banking authorities generally do not regulate trading in forward contracts. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to

quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of the Funds. In its forward trading, the Funds will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which the Fund trades. Funds' assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. The Investment Manager may order trades for the Funds in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject the Funds to the risk of loss.

Contracts for Differences. Contracts for differences ("CFDs") are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument's value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. A CFD is usually terminated at the buyer's initiative. As is the case with owning any financial instrument, there is the risk of loss associated with buying a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the buyer to post additional margin. CFDs also carry counterparty risk, *i.e.*, the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require the buyer to make additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on the Funds' obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase the Funds' financial risk.

Credit Default Swaps. The Funds may purchase and sell credit derivative contracts – primarily credit default swaps – both for hedging and other purposes. The typical credit default swap contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of securities issued by the reference entity that they buyer delivers to the seller. In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. The Funds may also sell credit default swaps on a basket of reference entities as part of a synthetic collateralized debt obligation transaction.

As a buyer of credit default swaps, the Funds will be exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called "short squeeze." While the credit default swap market auction protocols reduce this risk, it is still possible that an auction will not be organized or will be unsuccessful. In certain instances of issuer defaults or restructurings (for those credit default swaps for which restructuring is specified as a credit event), it has been unclear under the standard industry documentation for credit default swaps whether or not a "credit event" triggering the seller's payment obligation has occurred. The creation of the new ISDA Credit Derivative Determination Committee (the "**Determination Committee**") is intended to reduce this uncertainty and create uniformity across the market, although it is possible that the Determinations Committee will not be able to reach a resolution or do so on a timely basis. In either of these cases, the

Funds would not be able to realize the full value of the credit default swap upon a default by the reference entity.

As a seller of credit default swaps, the Funds will incur leveraged exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, the Funds will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations. In addition, the credit default swap buyer will have broad discretion to select which of the reference entity's debt obligations to deliver to the Funds following a credit event and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of the Funds.

Credit default swaps generally trade on the basis of theoretical pricing and valuation models, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions.

It appears that there are likely to be widespread defaults under certain credit default swaps as a result of the current credit market disruptions. The credit derivative market may become subject to increased regulation, which could increase costs or even prevent participation by the Funds.

Failure to Enter into Offsetting Trade. To the extent the Funds invest in a futures contract or option long, unless an offsetting trade is made, the Funds would be required to take physical delivery of the commodity underlying the future or option. To the extent the Investment Manager fails to enter into such offsetting trade prior to the expiration of the contract, the Funds may suffer a loss since neither the Funds nor the Investment Manager has the operational capacity to accept physical delivery of commodities.

Illiquid Investments. The Funds may invest in restricted, as well as thinly-traded, instruments and securities (including privately placed securities and instruments). The Funds may also make investments in privately held companies or special purpose entities, provided that it is allowed under the applicable regulation. There may be no trading market for these securities and instruments, and the Funds might only be able to liquidate these positions, if at all, at disadvantageous prices. As a result, the Funds may be required to hold such securities despite adverse price movements. In addition, if the Funds make a short sale of an illiquid security or instrument, it may have difficulty in covering the short sale, resulting in a potentially unlimited loss on that position.

Risks Associated with Direct Lending. The Funds may from time to time pursue direct lending opportunities. A loan may have no, or only a limited, market or may be subject to legal or other restriction on transfer. The Funds may not be able to sell such asset when the Funds desire to do so or to realize what the Investment Manager perceives to be the fair value of the assets in the event of a sale. In connection with direct lending activities, the Funds may be exposed to losses resulting from default and enforcement of security. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien may each be of great importance. The Funds cannot guarantee the adequacy of the protection of its interests, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, the Funds cannot be certain that claims may not be asserted that might interfere with enforcement of rights. In the event of enforcement of the security for a loan in certain jurisdictions, the Funds may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the relevant loan, resulting in a loss to the Funds. Any costs or delays involved in the enforcement of the security for a loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

Risks Related to Non-U.S. Investments and Non-U.S. Jurisdictions

Non-U.S. Exchanges. The Funds may trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. securities, futures, commodities and other securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees, and higher regulatory compliance costs.

Non-U.S. Investments. Investing in the securities outside of the United States involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. Government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Funds' investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, the Funds may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce the Funds' rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to the Funds under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

Russia-Ukraine Conflict. There is currently an ongoing military conflict between Russia and Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. The Russia-Ukraine conflict has displaced millions of people, causing an acute refugee crisis in Europe, and has increased the threat of nuclear accidents or attacks, cyberattacks and further regional or global conflicts, among other potentially dire consequences. In response, multiple other countries have established global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. It is possible that countries could institute broader sanctions or impose other economic and political measures on Russia, which could result in the immediate freeze of Russian securities and/or funds invested in prohibited assets and/or other consequences. Private companies have also implemented restrictions that severely limit, and in some cases, reverse or cancel, business transactions in, or involving certain individuals and/or businesses connected to or associated with, Russia. Further, some private companies have moved to divest of Russia-based subsidiaries and assets. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

Assumption of Business, Terrorism and Catastrophe Risks. The Funds may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including,

without limitation, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Funds and the Limited Partners' investments therein.

Climate Change Risks. Climate change poses long-term threats to physical and biological systems. Potential hazards and risks related to climate change include, among other things, rising sea levels, more severe coastal flooding and erosion hazards, and more intense storms. Storms in recent years have demonstrated vulnerabilities in infrastructure to extreme weather events. Climate change risks, if they materialize, can adversely impact an issuer's financial plan in current or future years. In addition, economists and others have expressed increasing concern about the potential effects of global climate change on property and security values. A rise in sea levels, an increase in powerful windstorms and/or a climate-driven increase in sea levels or flooding could cause coastal properties to lose value or become unmarketable altogether. Economists warn that, unlike previous declines in the real estate market, properties in affected coastal zones may not ever recover their value. Large wildfires driven by high winds and prolonged drought may devastate businesses and entire communities and may be very costly to any business found to be responsible for the fire. Regulatory changes and divestment movements tied to concerns about climate change could adversely affect the value of certain land and the viability of industries whose activities or products are seen as accelerating climate change.

Cybersecurity Breaches and Identity Theft. With the increased use of technologies such as the Internet and the dependence on computer systems to perform business and operational functions, portfolios (such as the Funds) and their service providers (including the Investment Manager) may be prone to operational and information security risks resulting from cyber-attacks and/or technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Funds, the Investment Manager, or a custodian, or other affiliated or third-party service provider may adversely affect the Funds or the Limited Partners. For instance, cyber-attacks may interfere with the processing of transactions, affect the Fund's ability to calculate its net asset value, cause the release of private Limited Partner information or confidential Fund information, impede trading, cause reputational damage, and subject the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. Cyber-attacks may render records of Funds' assets and transactions, ownership of the Interests, and other data integral to the functioning of the Funds inaccessible or inaccurate or incomplete, and the risks of attack are expected to be heightened in remote work environments. The Funds may also incur substantial costs for cybersecurity risk management in order to prevent cyber incidents in the future. The Funds and the Limited Partners could be negatively impacted as a result. While the Investment Manager has established business continuity plans and systems designed to minimize the risk of cyber-attacks through the use of technology, processes and controls, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified given the evolving nature of this threat. The Funds rely on third-party service providers for many of its day-to-day operations, and will be subject to the risk that the protections and protocols implemented by those service providers will be ineffective to protect the Funds from cyber-attack.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management, and Antara and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

Item 10: Other Financial Industry Activities and Affiliations

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

Antara meets the definition of an exempt commodity pool operator ("**CPO**"). The Firm or the Fund General Partners, as applicable, will file for CFTC Rule 4.13(a)(3) exemptions for each of the Fund.

The General Partner, which is an affiliate of Antara, serves as the general partner to the Fund.

We do not recommend or select other investment advisers for our Clients.

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

Code of Ethics

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

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

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

Personal Securities Trading

The Code of Ethics places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the Investment Manager on a periodic basis, and requires that employees pre-clear all types of personal securities transactions. Nevertheless, certain employees are permitted under certain circumstances to invest personally in individual SPAC Investments that would be appropriate for, held by, or may fall within the investment guidelines of the SPAC Fund. Additionally, in certain circumstances, the Investment Manager, its affiliates and their respective employees may buy SPAC Investments or other individual securities that are considered unsuitable for investment by the Fund. Such transactions are subject to the policies and procedures set forth in the Code of Ethics. The investment policies, fee arrangements and other circumstances of such investments generally vary from those of the Fund. As a result, the Investment Manager, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for

the Fund. These activities may adversely affect the prices and availability of other securities (including SPAC Investments) held by or potentially considered for purchase by the Fund.

Employees, their spouses, immediate family members and other dependents are required to provide their brokers to send duplicate copies of personal discretionary brokerage account statements to the CCO. These records are used to monitor compliance with Antara's "**Employee Investment Policy**." The Employee Investment Policy restricts employees' personal securities trading to only liquidating trades of securities held by the employee at the time of employment with the Firm (a "**Liquidating Trade**"). Employees are prohibited from trading in any single named securities except for the purpose of holding or liquidating any such holdings after the commencement of employment.

Employees must obtain pre-approval from the CCO before: (i) making a Liquidating Trade; (ii) engaging in any outside business activities that may present a conflict with the employees' duties at the Firm; or (iii) making any private investments. The Code of Ethics also requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information. Should Antara or any of its affiliated persons come into possession of material, non-public or other confidential information with respect to any public and non-public company, Antara generally would be prohibited from communicating such information to Clients, and Antara will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Antara personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund."

Participation or Interest in Client Transactions

Neither Antara nor its related persons generally purchase any securities for its own accounts from, or sell any securities for its own accounts to, the Fund. Antara may solicit qualified clients to invest in the Fund. Antara will inform each client of its relationship with the Fund prior to the client's investment, but it does not intend to advise clients as to the appropriateness of the investment. Antara has financial ownership interests in the Fund and receives the management fee and/or performance-based compensation for its services to the Funds\ and potentially other client accounts. The management fee is payable without regard to the overall success or income earned by the Fund and therefore may create an incentive on the part of Antara to raise or otherwise increase assets under management to a higher level than would be the case if Antara were receiving no management fee. Performance-based compensation may create an incentive for Antara to make investments that are riskier or more speculative than in the absence of such performance-based compensation. Antara discloses these, and other potential conflicts of interests, to investors in the Fund's offering documents.

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

Other Activities of the Investment Manager and its Affiliates

Conflicts of interest may arise from the fact that the Investment Manager, the relevant general partner and their affiliates currently provide and may in the future provide investment management services to clients other than the Clients, including, without limitation, investment funds, separately managed accounts, and proprietary accounts or separate series of the Fund that track solely to a separate investment program of the Fund (collectively, "**Other Accounts**," and together with the Clients, the "**Accounts**" and each, an "**Account**"). Without limiting the foregoing, the Investment Manager and its Affiliates have formed and operate one or more investment funds, vehicles and accounts primarily to make SPAC investments (the SPAC Fund), and may in the future form one or more investment funds, vehicles and accounts to make other types of investments. Other Accounts may also be established to participate in co-investment

opportunities with the Clients and the Clients from time to time may co-invest with Other Accounts, including through special purpose vehicles.

Other Accounts will have investment objectives, programs, strategies and positions that are similar to or may conflict with those of the Clients, and compete with or have interests adverse to the Clients. Such conflicts could affect the prices and availability of securities in which the Clients invest. Even where an Other Account has investment objectives, programs or strategies that are similar to those of a Client, the Investment Manager may give advice or take action with respect to the investments held by, and transactions of, the Other Accounts that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, the Clients due to a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment and tax treatment of the Other Accounts and the Clients. As a result, a Client and an Other Account may have substantially different portfolios and investment returns.

Conflicts of interest may also arise when the Investment Manager makes decisions on behalf of a Client with respect to matters where the interests of the Investment Manager or one or more Other Accounts differs from the interests of the Client. In particular, the Investment Manager may, in certain circumstances, take positions in Other Accounts opposite to those taken by the Client and/or take positions in Other Accounts which involve conflicts or potential conflicts with the Client's positions (e.g., investments in different levels of a company's capital structure). The Clients may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such Other Accounts. This may result in differences in price, investment terms, leverage and associated costs between the Clients and such Other Accounts. Additionally, an investment made by Other Account could adversely affect the performance of investments held by the Clients. For example, a large short position in a security in an account of an Other Account could cause a decline in the value of a long position held by the Clients in the same security, or a position taken in a security in an account of an Other Account could dilute the value of a position held by the Clients in the same issuer. The Investment Manager may also decline to make an investment for the Clients out of concern that such investment might harm an Other Account. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Clients.

In addition, the Investment Manager may receive payments, remuneration or other compensation for providing management, board, advisory, transaction-related, financial or other services or advice to issuers or companies whose securities are held or referenced by the Fund ("**Cash Transaction Fees**"). The Offering Materials for the Clients detail the degree to which Cash Transaction Fees in certain instances will reduce fees and/or other compensation due to the Investment Manager.

Allocation of Trades and Investment Opportunities

The Investment Manager maintains broad discretion to determine which investment opportunities are appropriate for the Fund, and shall make any determination as to the appropriateness of a particular investment opportunity for the Fund in its sole discretion. Any such determinations will frequently be subjective in nature. The outcome of these determinations may result in the allocation of all, none or a sub-portion of certain investment opportunities to the Fund, which could adversely affect the Fund's performance in the same manner as an under- or over-allocation. In the event that the Investment Manager determines that it would be appropriate for the Fund and Other Accounts to participate in an investment, the Investment Manager will generally allocate such investment among all of the participating Accounts, including the Fund, on a fair and equitable basis over time, in accordance with the Investment Manager's allocation policy and subject to relevant factors associated with the investment and the terms of the applicable governing documents of the Fund and such Other Accounts. Investment opportunities will generally be allocated among those Accounts for which participation in the respective opportunity is

considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with an Account's objectives; (ii) the potential for withdrawals or redemptions from the Fund or such Accounts; (iii) the transferability of such proposed investment; (iv) the minimum denominations of the proposed investment; (v) the availability of price quotes with respect to such proposed investment; (vi) structural and operational differences between (and any applicable investment limitations, including, without limitation, exposure limits, hedging limits, and diversification considerations, of) the Fund and such Accounts; (vii) the potential for the proposed investment to create an imbalance in an Account's portfolio; (viii) the overall liquidity profile and risk profile of the Fund and such Accounts' respective investment portfolios and other requirements; (ix) potentially adverse tax consequences; (x) the eligibility of the Fund and such Accounts to make the proposed investment under applicable laws and regulations, including with respect to regulatory restrictions that would or could limit an Account's ability to participate in a proposed investment; (xi) the need to re-size risk in an Account's portfolio; and (xii) any other applicable tax, compliance, operational or administrative issues.

The Investment Manager will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to the Fund or Other Accounts solely because the Investment Manager purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to an Other Account or the Fund (even if such transaction ultimately would have been highly profitable or would otherwise be accretive or otherwise beneficial to the Fund more broadly). In particular, when Other Accounts ramp up their investment and trading strategies, the Fund may receive reduced or no allocations of certain securities. The economics of an Other Account may be more favorable to the Investment Manager, its affiliates and employees, and may create additional incentives for the Investment Manager to allocate investments to such Accounts. The success of the Fund will be dependent in large part upon the Investment Manager's successful sourcing of investments (including SPAC Investments for the SPAC Fund). Availability of capital, diversification and economic incentives of the Investment Manager, its affiliates and employees may cause investments that are in the same sector as the Fund's targeted investments (or which may otherwise be beneficial to the Fund) to be allocated to other Accounts rather than the Fund.

Notwithstanding the foregoing and subject to the allocation policies and procedures of the Investment Manager, as amended and in effect from time to time, each potential SPAC Investment opportunity will generally be allocated by the Investment Manager to the SPAC Fund.

Allocation of Expenses

The Investment Manager will be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses among the Clients and Other Accounts. It is anticipated that common fees and expenses between the Fund and Other Accounts will generally be allocated *pro rata* based on net asset value unless the Investment Manager, acting reasonably and in good faith, determines that an alternate methodology is more appropriate given other relevant circumstances. The allocations of such fees and expenses may not be proportional, and any such determinations involve inherent matters of discretion.

Material Non-Public Information

As a result of the operations of the Investment Manager and its affiliates, the Investment Manager may come into possession of confidential or material, non-public information. Therefore, Investment Manager and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, the Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Investment Manager's internal policies. Due to these restrictions,

the Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold. Further, the Fund's investment strategy calls for the Investment Manager's personnel occasionally to serve on portfolio companies' boards of directors. In such instances, the Investment Manager will likely hold significant beneficial ownership positions in public companies, have frequent contact with portfolio company employees, and may be acting in one or more different capacities. The Investment Manager has established procedures to prevent the misuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of watch lists and restricted trading lists. Because the Investment Manager's structure makes information barriers impractical, the Investment Manager has not imposed information barriers to restrict the internal flow of possible material, non-public information. Instead, all personnel who serve on portfolio companies' boards of directors are presumed to be in receipt and possession of material, non-public information about the companies, and therefore neither the Fund nor the Investment Manager or its personnel may trade in the securities of such portfolio companies while the personnel are serving on said board of directors. Other personnel are required to contact immediately the Chief Compliance Officer or its designee in all instances where they believe they may have received any material, non-public information.

Master-Feeder Structure

The feeder funds generally will invest substantially all of their capital in the respective master funds. The "master-feeder" fund structure presents certain conflicts of interest and risks to the Investors. Smaller feeder funds may be materially affected by the actions of larger feeder funds. Consequently, if larger feeder funds were to redeem from a master fund, the remaining feeder funds may experience higher pro rata operating expenses, thereby producing lower returns, and the master fund may become less diverse due to a redemption by one or more larger feeder funds, resulting in increased portfolio risk. Moreover, different tax considerations applicable to the feeder funds that invest (directly or indirectly) in a master fund may result in the master fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one feeder fund or its investors. In selecting and structuring investments appropriate for the Fund, the Investment Manager will consider the investment and tax objectives of the Fund and their Investors as a whole, not the investment, tax or other objectives of any Investor individually.

Item 12: Brokerage Practices

Antara is authorized to determine the broker-dealer to be used for executing securities transaction for the Fund. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate "execution only" commission rates; therefore, the Fund may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate. Although Antara generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

We also have the authority to select and appoint custodians of the assets of the Fund. The Firm's authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain "**Best Execution**," meaning generally the execution of a securities transaction for a client in such a manner that a client's total

costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the total cost or proceeds of the transaction, commission rates charged, the value of research and other services provided by the broker, the ability to negotiate transactions, the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution, the reliability, integrity, stability, and financial condition of the broker, the broker's general execution, settlement and operational capabilities, prior performance, and responsiveness; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment and commitment of capital.

Antara's "Soft Dollars Policy" limits the use of Soft Dollars to the purchase of Research and Brokerage within the Section 28(e) safe harbor. Employees must report to the CCO any suspicious activity around the use of Soft Dollars.

Item 13: Review of Accounts

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

Account Reporting

We perform various periodic reviews of each client's portfolio. Such reviews are conducted by our officers.

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

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. From time to time, Antara enters into arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in the Funds. In addition, in accordance with applicable law, Antara will in certain circumstances compensate certain third parties for assistance in connection with soliciting investors in one or more non-U.S. jurisdictions.

Item 15: Custody

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

Item 16: Investment Discretion

We will have full discretionary authority with respect to the Funds and Managed Accounts, including authority to make decisions with respect to financial instruments and which securities to be bought and sold, as well as the amount and price of those securities.

Item 17: Voting Client Securities

In compliance with the Advisers Act's Proxy Voting Rule, we have adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "**Proxies**") in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- The impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- The anticipated associated costs and benefits;
- The continued or increased availability of portfolio information; and
- Industry and business practices.

In limited circumstances, we may refrain from voting Proxies where we believe that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to our clients. Generally, clients may not direct our vote in a particular solicitation.

Conflicts of interest may arise between the interests of the clients on the one hand and us or our affiliates on the other hand. If we determine that we may have, or be perceived to have, a conflict of interest when voting Proxies, we will vote in accordance with our Proxy voting policies and procedures.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

In the instance the Manager decides to engage a Proxy Voting and Disclosure Service Provider such as ISS, we will adhere to the ISS voting policies and procedures.

Item 18: Financial Information

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