

## Yarra Square Partners LP

101 Park Avenue, 48th Floor  
New York, NY 10178  
<https://www.yarrasq.com/>

**March 27, 2024**

This brochure (this “Brochure”) provides information about the qualifications and business practices of Yarra Square Partners LP. If you have any questions about the contents of this Brochure, please contact us by e-mail at [compliance@yarrasq.com](mailto:compliance@yarrasq.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration as an investment adviser does not imply that Yarra Square Partners LP or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

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

**Item 2. Material Changes**

There are no material changes to report since March 30, 2023, the date of Yarra Square Partners LP's most recent annual updating amendment to its Brochure. Nonetheless, clients are encouraged to read this document in its entirety.

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**Item 4. Advisory Business**

Yarra Square Partners LP (“we,” “us,” or “our”) is a Delaware limited partnership formed in August 2018. We are principally owned and controlled by Victor Ho, who is our Chief Investment Officer (the “CIO”).

We provide discretionary investment advice to the following private funds (each, a “Fund,” and collectively, the “Funds”): (i) Yarra Square LP (the “Onshore Fund”), (ii) Yarra Square Offshore Ltd (the “Offshore Fund,”), and (iii) Yarra Square Master Fund LP (the “Master Fund”). The Onshore Fund and Offshore Fund are feeder funds that invest through the Master Fund. We may also provide investment advice to separately managed accounts for institutional, non-retail investors (“SMAs”) and to additional private funds in the future. References throughout this document to “clients” refer to the Funds and any other private funds and SMA’s that we may advise in the future.

The Funds are managed in accordance with their own investment and trading objectives, as described in their respective offering documents and governing agreements (together, the “Governing Documents”). We do not permit investors in the Funds to impose limitations on the investment activities described in the Funds’ Governing Documents. Under certain circumstances, we may contract SMA clients to adhere to limited risk and/or operating guidelines imposed by such clients. We would negotiate such arrangements on a case-by-case basis. (See *Item 16 - Investment Discretion*.)

Yarra Square Advisors LLC (the “Yarra Square Advisors”) serves as the general partner to the Onshore Fund and the Master Fund.

We do not participate in wrap fee programs.

As of December 31, 2023, we managed \$145,850,115 of regulatory assets under management on a discretionary basis. We do not manage any assets on a non-discretionary basis.

**Item 5. Fees and Compensation**

Our fees and compensation are described in the Funds’ Governing Documents. The Funds pay us a quarterly management fee of 0.25% (1.0% on an annualized basis). Management fees are paid in advance. Once paid, the management fee is non-refundable. All or part of the management fee applicable to any investor may be waived, reduced, rebated, discounted or calculated differently in our discretion. No management fees are paid with respect to interests/shares held by the CIO or by our employees or employees of our affiliates.

Yarra Square Advisors is entitled to receive performance-based allocations from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

The Funds will, directly or indirectly, bear their own expenses, including, without limitation, the following: (i) expenses related to the research, execution and monitoring of actual and prospective investments (whether or not consummated) and the consummation of investments, including, without limitation, the following: third-party investment sourcing fees; consulting fees; expert fees; fees and expenses of and related to obtaining research, analytics and market data (including, without limitation, data subscriptions (such as Bloomberg, FactSet and Refinitiv) and any information technology hardware, software or other technology incorporated into the cost of obtaining and/or storing such research and market data); due diligence expenses including, without limitation, consulting and appraisal fees; investment- and research-related travel expenses (including first and business class fares, to the extent permitted by our written

policies and procedures); any outsourced trading provider fees; brokerage and prime brokerage fees, commissions and expenses (including the costs of negotiating, documenting and/or amending agreements with prime brokers, ISDAs and other agreements with trading and financing counterparties); expenses relating to borrowing securities to be sold short; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and other borrowing costs; fees and expenses of proxy research and voting services; broken deal expenses; and fees and expenses of third-party professionals, including, without limitation, consultants, investment bankers, attorneys and accountants; (ii) organizational expenses and fees and expenses incurred in connection with the offering and sale of the shares and interests, including, without limitation, the following: the preparation and amendment of this offering memorandum, the articles, the partnership agreements, the investment management agreement and the Funds' subscription agreements; fees and expenses that we incurred in connection with "world sky" matters and private placement regimes, including the European Alternative Investment Fund Managers Directive, and Form D and blue sky and similar fees and expenses; and expenses incurred in connection with negotiating, documenting and complying with provisions of any side letter agreement with investors; (iii) operational expenses, including, without limitation, the following: fees and expenses relating to information technology hardware, software or other technology (including, without limitation, costs of software licensing, implementation, data management, data analysis and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations) in connection with the activities of the Funds, and facilitate and manage the order execution of securities or otherwise manage the Funds (including, in each case, Bloomberg terminals, portfolio management systems, analytic systems and order management systems); fees and expenses of third-party risk management products, models and services; third-party administrative fees and expenses, including fees and expenses of the Funds' administrator (the "Administrator") and any middle office and/or back office service provider; fees and expenses of third-party professionals, including, without limitation, consultants, valuation service providers, attorneys, accountants and tax preparers; third-party audit and tax preparation expenses; insurance expenses (to the extent permitted by our written policies and procedures), including, without limitation, its allocable portion of premiums for cybersecurity insurance and liability insurance (including directors and officers liability insurance and errors and omission insurance) covering the Funds, the General Partner, us and the current or former principals, officers, employees, managers, partners, members, affiliates or agents of any of the foregoing, and the Directors (in each case, even if such insurance covers conduct for which indemnity would not be available from the Funds); fees and expenses associated with Director meetings and meetings of the investors as a whole, including, without limitation, expenses related to the organization and conduct of such meetings (including, without limitation, travel (including first and business class fares, to the extent permitted by our written policies and procedures), lodging and meal expenses), and Director fees (including registration fees); costs of preparing and distributing reports and notices to Investor (including the development, implementation and maintenance of an investor electronic delivery site and/or system); entity-level taxes; fees and expenses related to compliance with applicable law and regulations in connection with the activities of the Funds, including, without limitation, any governmental, regulatory, licensing, filing, reporting or registration expenses, fees or taxes (including, without limitation, fees and expenses incurred in connection with the preparation and filing of Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings, and any filings or reporting with respect to compliance with Foreign Account Tax Compliance Act provisions of the United States, Automatic Exchange of Information or similar laws enacted in other jurisdictions, as well as any foreign tax regime registrations, tax filings and associated annual fees and expenses), and any fees and expenses related to compliance with anti-money laundering laws and regulations applicable to the Funds, including AML officer fees; and (iv) extraordinary expenses, including, without limitation, the following: the costs of

any litigation or investigation involving the activities of the Funds (including attorney's fees and investigative fees and expenses); the cost of settlements and indemnification expenses (including advances thereof); fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, including, without limitation, any related administrative settlement and judicial review; and fees and expenses incurred in connection with the reorganization, restructuring, dissolution, winding-up or termination of any of the Funds.

We also allocate a portion of certain clients' capital to money market funds or exchange-traded funds. In addition to the fees and expenses discussed above, clients will indirectly incur similar fees and expenses if we invest their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

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

Yarra Square Advisors is entitled to receive annual performance-based allocations from the Funds. Such performance-based allocation is equal to 10% of the capital appreciation of the Funds' assets with respect to the Funds' interests. Such performance-based allocation is subject to a loss carryforward mechanism. In the event that an investor withdraws capital (in whole or in part) from the Fund other than at the end of a fiscal year, the deduction of the performance-based allocation will be made with respect to such investor as though it were being made at the end of a fiscal year. All or part of the performance allocation may be, and has been, waived, reduced, calculated differently or rebated in our discretion with respect to one or more investors. No performance-based allocation will be allocated with respect to interests/shares held by the CIO or by our employees or employees of our affiliates.

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

Currently, the Funds are our only clients and they operate through a master-feeder structure. To the extent that we advise additional client accounts in the future, performance-based compensation arrangements could also create an incentive for us to favor accounts with higher compensation rates over other accounts when allocating investments. Accordingly, if we manage additional client accounts in the future, we will adopt and follow procedures designed and implemented to ensure that all clients are treated fairly and equitably.

In addition, because the Funds' management fees and performance-based compensation are generally based on the Funds' net asset values, we will have a conflict of interest in valuing the Funds' assets. To mitigate this conflict, we follow documented valuation policies and may consult with Fund auditors and the Administrator.

#### **Item 7. Types of Clients**

Investors in the Funds are generally institutional investors, and high net worth individuals that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended (the "Securities Act")) and qualified purchasers. The minimum initial investment in the Funds is generally \$1,000,000. We have waived, and may in the future waive, such minimum under certain circumstances.

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

The Fund's investment objective is to generate attractive risk-adjusted returns over the course of various market cycles through a portfolio consisting primarily of equity investments. In seeking to achieve our investment objective, we employ a long/short equity strategy based on deep fundamental, bottom-up research, with long positions generally focused on North America and other developed countries, and short positions globally.

We utilize a long/short equity strategy based on a disciplined, deep fundamental, bottom-up approach. This approach focuses on the intersection of two areas that it believes are less efficiently priced by the market: longer (often multiyear) time horizons and companies experiencing dramatic change. We invest when we believe we have a differentiated view developed through our rigorous bottom-up research process.

The Funds take positions in respect of listed equities, common stocks, options, ADRs and GDRs, ETF's as well as contracts for difference and total return swaps on the foregoing. The Funds trade instruments listed on both U.S. and non-U.S. exchanges, and also trade U.S. and non-U.S. currencies and ETF's for hedging purposes and other securities for cash management purposes. In addition, Funds may from time to time trade exchange traded funds or hold positions in preferred stocks, warrants and convertible preferred securities as a result of corporate actions with respect to positions in its portfolio.

The above is a general description of the strategies that may be utilized by us. We have broad and flexible investment authority. Accordingly, as described above, the Funds' positions may at any time include a wide variety of securities and financial instruments.

The development of an investment strategy for the Funds is an ongoing process. The strategies, techniques and methods described above will therefore be modified by us from time to time and over time. There is no limitation on the investment strategies, techniques, methods or processes which we may adopt for the Funds or the factors that we may take into account in analyzing investments for the Funds. Depending on conditions and trends in securities markets and the economy generally, we may pursue other objectives, or employ other strategies, techniques, methods or processes, that we consider appropriate and in the best interests of the Funds, without notice to, or the consent of, investors.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

*Risk Factors*

Our investment strategy involves significant risks. A discussion of the material risks is provided below. Prospective investors in the Funds are urged to review the applicable offering memorandum carefully and consult with their own financial, legal and tax advisers before investing.

*Investment and Trading Risks.* All securities investments risk the loss of capital. We believe that the Funds' investment program and our research techniques will moderate this risk through a careful selection of securities and other financial instruments. However, no guarantee or representation is made that the Funds' investment program will be successful or that the Funds will not incur losses. The Funds' investment program may utilize investment techniques including, but not limited to, trading in derivatives,

the use of leverage, use of market hedges and short sales, which in practice can, in certain circumstances, increase the adverse impact to which the Funds may be subject.

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

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

*Investment Analysis.* When assessing investment opportunities, we rely on resources that may have limited or incomplete information. In particular, we rely on publicly available information and data filed with various government regulators. Although we expect that we will evaluate information and data as we deem appropriate and will seek independent corroboration when reasonably available, we will not evaluate all publicly available information and data and are not in a position to confirm the completeness, genuineness or accuracy of the information and data that we evaluate.

As a result, there can be no assurance that the due diligence exercise carried out by us will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment in the Funds.

*Concentration of Investments.* Subject to any limitations adopted by us from time to time, the Funds are not restricted in the amount of capital that they may commit to any issuer, security, industry sector, factor, or geographic region, and at times the Funds will hold a relatively large concentration in a limited number of issuers, securities, industry sectors, factors and/or geographic regions. Losses incurred in connection with those investments could have a material adverse effect on the Funds’ overall financial condition. This is because the value of the Funds’ investment portfolio will be more susceptible to any single occurrence affecting one or more of those issuers, securities, industry sectors, factors, or geographic regions than would be the case with a more diversified investment portfolio.

*Equity Securities.* The Funds will invest in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect the Funds’ positions.

*Small to Medium Capitalization Companies.* The Funds will invest their assets in the stocks of companies with small- to medium-sized market capitalizations. While we believe these investments often provide significant potential for appreciation, these stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.



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

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

*"High Yield" Securities.* The Funds may invest in "higher yielding" (and, therefore, higher risk) debt securities. Such securities are generally considered to be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. In certain periods, there may be little or no liquidity in markets for these securities. Furthermore, it is likely that a major economic recession or financial crisis could have a materially adverse impact on the value of such securities. High yield securities have historically experienced greater default rates than has been the case for investment grade securities. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react primarily to fluctuations in the general level of interest rates. The markets for high yield securities tend to be more volatile, less liquid and less active than those for higher-rated securities, which can adversely affect the price at which these securities can be sold and may make it impractical or impossible to sell such securities at times of market dislocation. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these securities.

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

*Leverage.* We will use leverage as part of the Funds' investment program. Leverage generally will be obtained by borrowing funds to make trades or by purchasing or entering into derivative instruments that are inherently leveraged, such as swaps, options, futures and forward contracts.

If the interest expense on borrowings were to exceed the net return on the positions acquired with borrowed funds, the Funds' use of leverage would result in a lower rate of return than if the Funds were

not leveraged. If the amount of borrowings which the Funds may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the Funds' portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Any gains made with the additional monies borrowed will generally cause the value of the Funds' assets to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies fails to cover their cost to the Funds, the value of the Funds' assets will generally decline faster than would otherwise be the case. The amount of any borrowing may also be limited by regulations imposed by the Federal Reserve Board or by the availability and cost of credit, as well as due to overall market conditions. If, due to market fluctuations or other reasons, the value of the Funds' assets should fall below required regulatory or counterparty imposed levels, the Fund will be required to reduce their debt by selling securities in its long portfolio. The Funds may also be unable to carry-out their investment program if they are not able to obtain leverage on reasonable terms.

In the case of derivative instruments, because many derivatives are "leveraged," such instruments provide significantly more market exposure than the money paid or deposited when the transaction is entered into and, thus, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose the Funds to the possibility of a loss exceeding the original amount invested.

In addition, in transactions involving derivative instruments, counterparties and lenders will likely require the Funds to post collateral to support their obligations. Should the securities and other assets pledged as collateral decline in value, or should brokers increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), the Funds could be subject to a "margin call" pursuant to which they must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a precipitous drop in the value of pledged securities, the Funds might not be able to liquidate assets quickly enough to pay off the margin debt or provide additional collateral and may suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses. Furthermore, secured counterparties and lenders will generally have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of collateral posted by the Funds. This could increase exposure to the risk of a counterparty default since, under such circumstances, the Funds may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral.

We may engage in the trading of options on futures for the accounts of the Funds, typically for hedging purposes. If we, on behalf of the Funds, buy an option (either to sell or buy a futures contract or commodity), the Funds will be required to pay a "premium" representing the market value of the option. Unless the price of the futures contract or commodity underlying the option changes and it becomes profitable to exercise or offset the option before it expires, the Funds may lose the entire amount of the premium.

**Hedging Transactions.** The Funds utilize financial instruments (including without limitations, ETFs, single name swaps and basket swaps) both for investment purposes and for risk management purposes in order (i) to protect against possible changes in the market value of the Funds' portfolio resulting from fluctuations in the securities markets and changes in interest rates, (ii) to protect the Funds' unrealized gains in the value of the Funds' portfolio, (iii) to facilitate the sale of any such investments, (iv) to enhance or preserve returns, spreads or gains on any investment in the Funds' portfolio, (v) to hedge the interest rate or currency exchange rate on any of the Funds' liabilities or assets, (vi) to protect against any increase

in the price of any securities the Funds anticipate purchasing at a later date, or (vii) for any other reason that we deem appropriate.

The success of the Funds' hedging strategy will depend, in part, upon our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Funds' hedging strategy will also be subject to our ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Funds enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if they had not engaged in such hedging transactions. For a variety of reasons, we may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Funds from achieving the intended hedge or expose the Funds to risk of loss. We may not hedge against a particular risk because we do not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because we do not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Funds' portfolio holdings.

**Short Sales.** A short sale involves the sale of a security that the Funds do not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Funds must borrow the security and the Funds are obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Funds. When the Funds make a short sale in the United States, they must leave the proceeds thereof with the broker and they must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize their obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss to the Funds. The extent to which the Funds will engage in short sales will depend upon our investment strategy and perception of market direction and the value of individual securities. We engage in short sales on behalf of the Funds as a hedge against potential market declines and/or based on our fundamental analysis of the subject issuers.

**EU Short Selling Regulation.** The EU Regulation on short selling and certain aspects of credit default swaps (the "SSR") applies to short sales of/short positions relating to (1) the issued share capital of companies whose shares are admitted to trading on a regulated market or multilateral-trading facility ("MTF") in the EEA (unless the principal trading venue for the relevant shares is located in a country outside the EEA) ("EEA listed shares"); and (2) debt instruments issued by an EEA sovereign issuer ("EEA sovereign debt"). The SSR currently applies in respect of member states of the EU and will apply to the additional EEA jurisdictions once further implementation steps have been taken. Accordingly it is difficult to predict the precise impact of the SSR on us and Funds.

The SSR provides for the disclosure of net short positions in EEA listed shares and EEA sovereign debt. It applies to all natural or legal persons, irrespective of regulatory status, located inside and outside the EEA. The SSR also contains prohibitions on uncovered or "naked" short sales of EEA listed shares and EEA sovereign debt in certain circumstances, as well as a prohibition on uncovered credit default swaps referencing EEA sovereign debt ("naked CDS"). Further, the SSR contains a number of provisions designed to minimize the risk of settlement failure caused by short sales of shares, which oblige an EEA based

central counterparty providing clearing services in respect of shares to ensure that certain buy-in procedures are in place.

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

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

*Foreign Investments.* The Funds trade non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the U.S. Such transactions require consideration of certain risks not typically associated with trading in U.S. securities or other instruments. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the U.S. or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S., and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. The Funds might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Funds’ performance.

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

underlying asset. The Funds may seek to acquire derivatives for these or other reasons, however, there is no assurance that derivatives that the Funds wish to acquire will be available at any particular times upon satisfactory terms or at all.

The value of a derivative is frequently difficult to determine and depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are “leveraged,” and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement in the underlying asset can not only result in the loss of the entire investment, but may also expose the Funds to the possibility of a loss exceeding the original amount invested. Over-the-counter (“OTC”) derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The OTC market for derivatives is relatively illiquid. In the case of OTC derivatives contracts, the Funds are subject to the credit risk of the counterparty.

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

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) enables the U.S. Commodity Futures Trading Commission (the “CFTC”) and the SEC to enact new regulations on certain OTC derivatives. Pursuant to CFTC regulations, certain OTC derivatives contracts (including certain interest rate swaps and certain credit default index swaps) are required to be traded on regulated trading platforms (i.e., swap execution and facilities) and cleared through registered clearing organizations subject to regulation by the SEC and the CFTC. Such contracts are traded more like futures and options contracts and parties to such transactions will trade standardized contracts and will face clearing organizations as contractual counterparties, rather than facing the credit risk of counterparties under individually negotiated bilateral OTC agreements. In the future, additional categories of OTC derivative contracts may be subject to mandatory clearing. The SEC recently adopted rules establishing margin, capital and collateral segregation requirements for security-based swap dealers. These rules became effective on October 6, 2021, which was the registration deadline for security-based swap dealers.

CFTC-registered swap dealers, SEC-registered security-based swap dealers and major swap (including major security-based swap) participants (entities who are not swap dealers, but whose level of activity makes them subject to rules governing dealers) are subject to regulatory oversight and requirements with respect to OTC derivatives, which include mandatory margin requirements, business conduct requirements, such as know-your-customer rules, increased risk disclosure and rules requiring trades to be documented within certain time frames. Derivative contracts, whether cleared or traded OTC, must be reported to registered swap data repositories. Despite these changes, parties to OTC derivative trades will continue to bear counterparty credit risk.

The effect that the foregoing regulatory changes will continue to have on the price of derivative contracts, liquidity and administrative costs, and the effects resulting from increased transparency, among other things, still remains unclear. In addition, the CFTC and SEC are both expected to conduct further rulemakings and potentially revisit previous finalized rules with respect to the Dodd-Frank Act. Depending

upon any such changes, there may be significant differences in the future with respect to the risks associated with derivatives trading. The impact of any such changes is currently unknown, and none of us, our affiliates or the Funds undertakes to update the investors upon such changes or upon finalization of any CFTC or SEC regulations promulgated under the Dodd-Frank Act.

*Risk of Default or Bankruptcy of Third Parties.* The Funds intend to engage in transactions in securities and financial instruments that involve counterparties. Under certain conditions, the Funds could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, the Funds could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Funds do business, or to which securities have been entrusted for custodial purposes. For example, if one of the Funds' prime brokers or custodians were to become insolvent or file for bankruptcy, the Funds could suffer significant losses with respect to any securities held by such firm.

Additionally, under CFTC regulations, "futures commission merchants" ("FCMs"), such as the Funds' prime brokers, are required to maintain customers' assets in a segregated account. If the Funds' FCM fails to do so, under certain circumstances, such as the inability of another customer of the FCM or the FCM itself to satisfy substantial deficiencies in the other customer's account, the Funds may be subject to a risk of loss of its assets on deposit with such prime broker. In the case of any bankruptcy or customer loss, the Funds might recover, even with respect to property specifically traceable to the Funds, only a pro rata share of all property available for distribution to all of the FCM's customers.

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

The Funds' investment strategy requires use of transactions that expose the Funds to the credit of their counterparties, and vice versa. For example, the Funds will seek to borrow securities intending to sell them short and may enter into long and short derivative positions. All of these transactions, and transactions similar to them, are governed by documents, industry standards, market customs and practices, the parties' prior course of dealing and by the covenant of good faith and fair dealing. At times, and especially in times of market stress, these credit exposures may come under stress, normal business conduct may be interrupted and normal legal protections may prove inadequate or may fail to provide timely relief. Should it become necessary to remove or reduce exposure to a particular counterparty, there can be no guarantee that a satisfactory alternative will be available, or even if one is available, that the Funds will be able to avail themselves of that alternative. As a consequence, it is possible that any unwinding of the credit exposure may prove costly and thereby damage the Funds.



*Currency Risks.* The Funds may invest in securities and other instruments denominated or quoted in currencies other than the U.S. Dollar. In connection therewith, we may hedge against the resulting currency exposure wherever economically prudent. However, changes in currency exchange rates will affect the value of the Funds' portfolio and the unrealized appreciation or depreciation of investments. Additionally, such hedging transactions may include a credit component pursuant to which the Funds may be required to grant to their hedging counterparty a security interest in certain of their assets. Accordingly, in such a case, if the Funds default with respect to a currency hedging transaction, then the hedging counterparty could lay claim to an interest in such assets.

Further, the Funds may incur costs in connection with conversions between various currencies. Foreign currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Funds at one rate, while offering a lesser rate of exchange should the Funds desire immediately to resell that currency to the dealer. The Funds will conduct their currency exchange transactions on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market. The Funds may also take speculative positions in currencies, which will be subject to the same risks discussed above.

*Purchasing Securities of Initial Public Offerings.* The Funds may purchase securities of companies during their initial public offerings or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the companies and limited operating histories. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for the Funds to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. In addition, some companies engaged in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

*Price Risk.* For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which the Funds invest may decline or rise substantially. In particular, purchasing assets at prices that may appear to be "undervalued" is no guarantee that such assets will not be trading at even more "undervalued" levels at the time of valuation or at the time of sale. Similarly, shorting assets at prices that may appear to be "overvalued" is no guarantee that such assets will not be trading at even more "overvalued" levels at the time of valuation or at the time of sale.

*Exchange Traded Funds ("ETFs").* The Funds trade in ETFs. ETFs are generally structured to invest in all or a representative sample of the securities that generally replicate the price and yield performance of an underlying market index or sector such as a broad stock market, industry sector, domestic or international equity or fixed income, or U.S. or foreign government bond. ETF shares are traded on stock exchanges and markets at open market prices that generally track the net asset value per share of the ETF. Direct issuances and redemption of ETF shares at the ETF's net asset value per share only occur in large blocks (or creation units) transacted between the ETF and authorized institutional purchasers on an in-kind basis. An exchange traded sector fund may be adversely affected by the performance of that specific sector or group of industries on which it is based. International investments may involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, or economic and/or political instability in other nations and/or other factors. Although index-based ETFs are

designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, ETFs may not be able to replicate exactly the performance of the indices because of their expenses and other factors. ETF shares may trade at either a discount or premium to their underlying net asset value. The purchase or sale of ETF shares on the secondary market involves the payment of brokerage commissions, and the purchase and redemption of creation units involves other transaction costs and brokerage commissions. Investors in ETFs also directly bear the ETF's costs associated with its payment of investment management fees and fees for administrative, custodial or other services and thus the investors will indirectly incur an additional layer of fees and expenses.

*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 Funds may trade in 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, participants 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 is subject to our ability to correctly predict movements in the direction of the market.

*Swaps.* The Funds trade swaps, including single name swaps and basket swaps. 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. Whether the Funds' use of swap agreements or swaptions will be successful will depend, in part, on our ability to select appropriate transactions for the Funds. 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, non-U.S. 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 bear 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 Funds' ability to terminate swap transactions or to realize amounts to be received under such transactions.

*Foreign Exchange Contracts.* Pursuant to rules promulgated under the Dodd-Frank Act, many foreign exchange contracts will be deemed "swaps" under the U.S. Commodity Exchange Act, as amended, and therefore will be subject to comprehensive regulation by the CFTC. CFTC rules will govern certain terms of such contracts, such as minimum margin requirements, among others, and dealers of such products will be subject to business conduct and reporting obligations. Foreign currency options (unless traded on



a securities exchange), non-deliverable foreign exchange forwards, currency swaps and cross-currency swaps will be included in such regulation. The U.S. Treasury Department (the “Treasury”) has exercised its authority to exempt foreign exchange forwards and swaps from most CFTC regulation, although such transactions remain subject to certain CFTC reporting and business conduct requirements. As a result, foreign exchange forwards and swaps are not guaranteed by an exchange or clearing house and consequently, there are no requirements with respect to financial responsibility or segregation of customer funds or positions, which could expose the Funds to unanticipated losses.

*Credit Default Swaps.* The Funds may purchase and sell credit derivatives contracts – primarily credit default swaps – both for hedging and other purposes. The typical credit default 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 the 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. In addition, the parties may be required to post collateral to secure their obligations, which can reduce the amount of collateral or funds available for other purposes.

The Funds may also purchase and 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 are subject to certain risks. In circumstances in which the Funds do not own the debt securities that are deliverable under a credit default swap, the Funds are 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.” In certain instances of issuer defaults or restructurings, 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 had occurred. 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 incur leveraged exposure to the credit of the reference entity and is subject to many of the same risks they would incur if they 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.

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

*Forward Trading.* We may engage in forward trading on behalf of the Funds, typically for hedging purposes. Forward contracts (including certain forward exchange contracts) and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Such forward trading is largely unregulated and currently daily price movements are not limited and speculative position limits

are not applicable. The principals who deal in such forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration, which could result in substantial losses to the Funds.

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

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

*Purchase of Distressed Securities.* The Funds may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy, reorganization or other liquidation proceedings. Although such investments may produce significant returns to the Funds, they involve a high degree of risk over a potentially lengthy period of time, and may provide less liquidity than many other investments. Investment in these types of securities requires sophisticated analysis and there can be no assurance that the Funds will accurately predict various factors that could affect the prospects of a successful restructuring. Many of these investments ordinarily remain stagnant until the applicable company reorganizes and/or emerges from bankruptcy proceedings, and, as a result, may have to be held for an extended period of time.

The Dodd-Frank Act established the Orderly Liquidation Authority (the “OLA”), an insolvency regime for large, interconnected financial companies, including broker-dealers, whose failure poses a significant risk to the financial stability of the United States. The Funds may invest in such large, interconnected financial companies and therefore may face losses if such financial companies are put into receivership and then liquidated upon a determination by the U.S. Federal Deposit Insurance Corporation and the board of governors of the U.S. Federal Reserve. If a financial company becomes liquidated by the OLA, the Funds’ investments in such a financial company could be adversely affected. Unlike in bankruptcy proceedings, creditors, shareholders and contract counterparties will not have any input into, or advanced notice about, the liquidation or reorganization of the applicable financial company. Many of the procedural rules for the OLA have not yet been written, and it is unclear how financial companies that become subject to liquidation proceedings would be affected.

*Special Situations.* The Funds invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies

and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the 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 their 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 their entire investment in such companies.

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

*Capital Structure Arbitrage.* The Funds may invest based on capital structure arbitrage strategies. The success of any such strategies will depend on our ability to identify and exploit inefficiencies in the pricing of credit risk within a company's or sovereign's capital structure. Identification and exploitation of market opportunities involve uncertainty. There can be no assurance that we will be able to locate investment opportunities or to correctly exploit price discrepancies. A reduction in the pricing in efficiency of the markets in which the Funds will seek to invest will reduce the scope for the Funds' involvement in these strategies. In the event that the perceived mispricings underlying the Funds' positions fail to materialize, these strategies could be unsuccessful or result in losses.

*Special Purpose Acquisition Companies.* The Funds invest in special purpose acquisition companies (each, a "SPAC"), which are publicly traded companies formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more operating businesses that are typically not publicly-listed. Investments in SPACs are speculative and involve a high degree of risk. Investors in a SPAC are subject to the risk that, among other things: (i) such SPAC may not be able to locate or acquire target companies by the deadline; (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC; (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in "blank check" companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules; (iv) such SPAC will likely only complete one business combination, which will cause its returns and future prospects to be solely dependent on the performance of a single acquired business; (v) the value of any target company, including its stock price as a public company, may decrease

following its acquisition by such SPAC; (vi) the value of the funds invested and held in the trust decline; (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition; and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made.

*PIPE Investing.* The Funds may from time to time make private placement investments in public companies (“PIPEs”). These are typically securities issued pursuant to Regulation D of the U.S. Securities Act of 1933, as amended (the “Securities Act”) to “accredited investors” such as the Funds. Generally, the issuer’s common stock is publicly traded on a U.S. securities exchange or listed on the over-the-counter market. However, the securities acquired by the Funds (in the case of equity or preferred securities) or the underlying securities (in the case of warrants, options, or convertible securities) typically are unregistered and subject to re-sale restrictions, but these securities may have registration rights which generally require the issuer to register them for re-sale by the Funds following the date of issue. Certain convertible securities issued in these privately negotiated transactions, however, may provide for registration at a date several months in the future. Often, the issuers of PIPEs will have unstable, fluid, or weak financial positions. As a result, PIPE investments made by the Funds may lose some or all of their value, which could cause losses to the Funds.

PIPE strategies have historically been significantly more likely to be successful during periods of rising equity prices. In such conditions, not only is it easier to liquidate the equity acquired upon conversion of the Funds’ illiquid and restricted securities, but also the equity price may increase from the date of the conversion, increasing the profit of conversion. PIPE investing also involves making capital commitments to issuers without access to traditional capital markets in situations in which the bankruptcy of the issuer could result in a total loss of the investment and thereby result in losses to the Funds. Analysis of the financial condition of each issuer is an important component of determining whether to make any such investment.

*Investments in Private Companies.* The Funds may from time to time invest in private companies (i.e., companies without any publicly-traded securities). Investments in private companies are subject to various risks, including the illiquidity of the investment being made. The Funds may be unable to sell their interest in a private company because there may be no market for such interests. In addition, when investing in a private company, there is no market efficiency or testing in order to determine the correct price for interests in the company. Therefore, the Funds could pay more for interests in a private company than their intrinsic value. Typically, private companies will have very limited reporting obligations, so there may be limited or no information available to investors such as the Funds regarding, among other things, a private company’s business prospects and results of operations. Private companies frequently have less oversight from independent directors and regulatory agencies and have less seasoned management teams.

*Loans of Securities; Pledge of Assets.* Pursuant to master securities lending agreements or similar agreements, the Funds may lend securities from their portfolio to brokers, dealers and financial institutions and receive collateral in the form of cash and securities in an amount equal to or greater than the current market value of the loaned securities, including any accrued interest or dividend receivable. During the term of such loan, the Funds will not retain all incidents of beneficial ownership as to the loaned portfolio securities, including voting rights. It will, however, generally retain the rights to interest or other distributions, and will have the right to regain record ownership of the loaned securities to

exercise such beneficial rights. Such loans will be terminable at any time upon sufficient notice to the other party.

It should be noted that, pursuant to the Funds' account agreement with prime brokers, the prime brokers may, under certain circumstances, lend Fund securities to third parties without notice to the Funds and without providing any collateral to the Funds. If a prime broker makes such loans of securities from the Funds' account, the Funds may not be able to vote such securities. In addition, if a prime broker were to become insolvent in the United States, the Funds would not have a claim against any specific assets of such prime broker, but would have a claim against the pool of assets held for the benefit of such prime broker's customers. Jurisdictions outside of the United States may not provide any similar rights to the Funds.

**Herding Risk.** The substantial growth of the hedge fund industry and funds trading large highly-leveraged positions of the same nature as those held by other funds have augmented herding risks. While we typically strives not to invest, on behalf of the Funds, in securities and/or other instruments that are broadly followed by other funds, such funds may later discover opportunities in the same securities and/or other instruments in which the Funds have already invested. Whatever the "fair price" of a security, instrument or a relationship, its trading price is sometimes radically altered or influenced by the market activity of traders executing parallel trading programs. This factor may provide surprising and sudden losses at unpredictable times, even after long periods of calm. The negative impact of herding is greatest when markets are under stress and traders holding large leveraged positions seek to liquidate or cover positions simultaneously.

**Inside Information.** From time to time, we and our affiliates may come into possession of inside information concerning specific companies. Under applicable securities laws, this may limit the Funds' ability to buy or sell securities issued by such companies. If the Funds hold the securities of a company with respect to which we are in possession of inside information, the Funds may be restricted from trading the securities of such company for an indefinite period of time, which could result in losses to the Funds.

**Significant Positions; Shareholder Activism.** The Funds may take significant positions in portfolio companies that result in the Funds acquiring (i) more than five percent (5%) of a class of securities of a single issuer which would require the filing of a Schedule 13D or 13G statement with the SEC, or (ii) more than ten percent (10%) of a class of securities of a single issuer (which would impose certain limitations on the Funds' ability to trade in such securities, including the restrictions of Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act")).

At times the Funds may engage in proxy contests, takeover bids, shareholder class actions or other litigation, or other activity which may place the Funds in a high-profile position which is adverse to issuer management and/or other security holders. The Funds may, as a result of such techniques or otherwise, obtain a controlling or other substantial position in any public or private company. The Funds may become subject to regulatory proceedings or other litigation.

At various times, we may agree with unrelated third parties to coordinate investments in activist positions. If any such third parties suffer damage to their reputation, the Funds may also incur damage to their reputation as a result of the group association. We may agree with such parties not to purchase and/or sell the applicable securities or related securities without the consent of such parties and may agree with such parties to vote or not to vote such securities in a certain manner. This may result in the Funds being unable to engage in certain transactions when we would otherwise deem it desirable. Under U.S. law,

the formation of a “group” may result in the Funds being deemed to own in excess of ten percent (10%) of an issuer’s securities even when the Funds’ position themselves is less than ten percent (10%) thereby resulting in “short-swing” transaction reporting and potential forfeiture obligations.

The Funds’ ability to realize value from certain of their positions may depend upon the ability of us to influence the management of a portfolio company to take certain actions, including, for example, a recapitalization, restructuring, spin-off, sale of the business or change in management. If we are incorrect in its assessment of the impact such action will have on the value of the portfolio company, or if it is unsuccessful in persuading the portfolio company’s management to take the desired action, we may sustain a loss on its position.

*Litigation Risk.* In some cases, the Funds’ trading program may result in the Funds taking an activist position with respect to an issuer. For example, we may challenge action sought to be taken by an issuer that we believe will have an adverse impact upon the value of a class of such issuer’s securities. In such case, either the issuer itself, or other market participants with positions adverse to that of the Funds, may institute litigation against the Funds challenging their activist conduct. Alternatively, we may initiate litigation as a tool to further activist goals, and such litigation may precipitate counterclaims. Litigation, even if successful, is often expensive. Unsuccessful litigation could result in losses to the Funds.

*Changes and Uncertainty in U.S. and International Regulation.* The Funds may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the Funds’ assets are exposed through their investments or investor base. During this period of uncertainty, market participants may react quickly to unconfirmed reports or information and as a result there may be increased market volatility. This unpredictability could cause us to alter investment and trading plans, including the holding period of positions and the nature of instruments used to achieve the Funds’ investment objectives.

In the United States, the Funds, we and our affiliates may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the Financial Stability Oversight Council, and other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. In addition, the securities and futures markets are subject to comprehensive statutes and regulations, including margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The Dodd-Frank Act and the rules promulgated thereunder could result in the Funds, us and our affiliates becoming subject to additional regulatory compliance burdens and trade reporting, which may add significant costs to the Funds. The Dodd-Frank Act endows the SEC, the CFTC, and other regulators with discretionary authority to write and interpret new rules. The ultimate impact of the Dodd-Frank Act on the Funds, us and our affiliates is unclear and will depend in large part on the regulations that the CFTC and SEC promulgate, as well as any legislative changes that may be made. There is speculation that some of the provisions of the Dodd-Frank Act and rules and regulations promulgated thereunder may be revised, repealed or amended. The impact of any such changes is unknown. None of us, our affiliates or the Funds undertakes to update investors upon such changes or finalization of any such regulations.

*Coronavirus and Global Health Events.* Epidemics, pandemics and other widespread public health problems, could adversely affect the Funds’ performance. For example, in late 2019, a novel virus, Severe Acute Respiratory Syndrome CoronaVirus 2 (SARS-CoV-2), started causing a disease in humans (“COVID-19”), at times with serious health complications that sometimes result in death. What began as a local



outbreak in Wuhan, China, spread globally over the course of weeks, stressing advanced healthcare systems of Western countries and resulting in financial disruptions of an extent that remains unclear. On March 11, 2020, the World Health Organization assessed that the COVID-19 outbreak can be characterized as a pandemic. Many countries imposed restrictions on travel and strict measures of social distancing.

As the potential impact on global markets from COVID-19, or future epidemics, pandemics or other health crises, is impossible to predict, the extent to which any such crisis may negatively affect the Funds' performance or the duration of any potential business disruption is uncertain. Precautions or restrictions imposed by governmental authorities and public health departments related to the COVID-19 pandemic have and will continue to result in indeterminate periods of decreased economic activity throughout the U.S. and globally, including reduced or ceased business operations, decline in international trade and shortages of supplies, goods and services. Outbreaks such as the COVID-19 one, and the reactions to such an outbreak, are expected to continue to cause uncertainty in the markets and businesses and are generally expected to adversely affect the performance of the U.S. and global economy, including due to market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees to work at external locations and extensive medical absences among the workforce. As a reaction to such an outbreak, it is possible that governmental fiscal and economic measures will lead to an increase in spending and other forms of financial stimuli, and it is difficult to predict what effect such measures will have on the U.S. and the global economy. In addition, as a result of volatility, measures may be put in place that suspend trading for periods of time, which will affect liquidity, the speed of execution and the availability of transactions.

The impact that pandemics and other public health events will have on the performance of the Funds in particular is uncertain, and it will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the coronavirus or other health crisis, and the actions taken by authorities and other entities to contain such crisis or treat its impact, particularly in the United States, all of which are beyond our control.

*Operational and Information Security Risk from Cyberattacks; Cyber-Fraud; Disaster Recovery.* The Funds and their service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cyberattacks affecting the Funds, us and our affiliates, the Administrator, the Funds' prime brokers, custodians and other third-party service providers may adversely impact the Funds. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to calculate the Funds' net asset values, cause the release of private investor information or other confidential information, impede trading, subject the Funds and their service providers to regulatory fines or financial losses and cause reputational damage. Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for the Funds, and may cause the Funds' investments to lose value. The Funds may also be the targets of cyber-fraud that could result in the theft of assets from the Funds, especially as computer malware, viruses and computer hacking, fraudulent use attempts and phishing and spoofing attacks have become more prevalent. In the hedge fund industry, these attacks have included third-party actors submitting fraudulent redemption and transfer requests, resulting in the theft of the rightful investor's assets. The Funds and their service providers may incur additional costs relating to cybersecurity preparations, and such preparations, though taken in good faith, may be inadequate. Cyberattacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

While we have put in place certain safeguards in case of disruption of information technology, including transmission failures, there can be no guarantee that such measures will be effective against all situations or will be implemented in time and each of the Funds may be adversely affected thereby.

***Side Letter Agreements.*** The Funds, us, and our affiliate have entered into a “side letter” agreement with a strategic investor (the “*Strategic Investor*”) pursuant to which they have provided, and may in the future continue to provide, certain investors with preferential terms with respect to their investment in one or more of the Funds, including, without limitation, with respect to management fees, performance-based allocations, withdrawal terms (including the frequency of withdrawals and/or required notice periods) and/or transparency (including portfolio transparency). The Funds, us and our affiliate enter into such “side letter” agreements only in our/their discretion and are not required to provide any investor with such an agreement.

The Funds, us, and our affiliate (as applicable) may determine to enter into a side letter agreement with an investor based on any of a variety of factors, including, without limitation, the size of an investor’s investment in one or more Funds. There can be no assurance that the side letter agreement rights granted to one or more investors will not in certain cases disadvantage others. For example, an investor (including a Limited Partner or other investor that receives enhanced transparency rights) may be granted preferential redemption rights, which could be utilized by such investor in a manner that would materially disadvantage other investors. Additionally, as a result of the terms provided in such side letter agreements, certain investors may be better able to assess the prospects and performance of the Funds than other investors and may be able to withdrawal from their capital accounts at times when other investors may not.

#### **Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or our management.

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

##### *Services by our Related Person*

As noted above, Yarra Square Advisors serves as the general partner to the Onshore Fund and the Master Fund.

Furthermore, we, Yarra Square Advisors, the Funds and certain of their affiliates have entered into a contract with a Strategic Investor and its principal owner pursuant to which, the Strategic Investor is entitled to share in a percentage of the revenues generated by us and Yarra Square Advisers and has additional rights, including withdrawal rights that are triggered by certain events, that are more favorable than the rights of other investors. The Strategic Investor has no say on our day-to-day operational, investment or trading decisions.

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

##### *Code of Ethics Overview*

We have adopted a Code of Ethics, which is designed to help ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition,



our Code of Ethics sets forth standards of conduct for our employees to ensure that they conduct their business on our behalf in a manner that enables us to fulfill our fiduciary duty to our clients.

Among other things, our Code of Ethics: (i) governs personal trading by our employees, (ii) contains our policies with respect to gifts and entertainment, (iii) contains our policies regarding certain outside activities of our employees, (iv) sets forth our policies and procedures relating to insider trading, and (v) sets forth the manner in which employees may report violations of law or our policies and procedures. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

#### *Personal Trading Policy*

Employees are generally prohibited from engaging in personal trading, but are able to transact in (i) municipal bonds, exchange-traded funds and closed-end mutual funds without obtaining prior approval from the Chief Compliance Officer (the “CCO”), and (ii) private investments (e.g., hedge funds) after obtaining prior approval from the CCO. In the future, in certain circumstances additional personal trading may be approved by the CCO if such trading does not have a negative impact on the Funds. Additionally, employees are required to provide our CCO with periodic reporting relating to their trading activity and personal accounts. Prohibitions relating to personal trading also generally apply to an employee’s spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

#### *Participation or Interest in Client Transactions*

We make available to qualified prospective investors the opportunity to invest in the Funds. Our CIO has a significant portion of his liquid assets in the Funds. In addition, Yarra Square Advisors, our affiliate, is entitled to receive performance-based allocations from the Funds.

We will not engage in any principal transactions unless we have determined that the transaction is in the relevant clients’ best interests and have obtained client consent in accordance with our written procedures and applicable law.

### **Item 12. Brokerage Practices**

#### *Selection of Brokers*

We have an obligation to seek to obtain “best execution” for the Funds with respect to their trading activity. While not defined by statute or regulation, best execution generally means the execution of client trades at the best net price considering all relevant circumstances. We seek best execution with respect to all types of Fund transactions, taking into account various factors. Such factors include, among others: price, the ability of the brokers to effect the transactions, the brokers’ facilities, reliability and financial responsibility and the provision or payment (or the rebate to the Master Fund for payment) of the costs of property or services (e.g., short-term custodial services, research services, news and quotation services, publications, and other services). In selecting brokers to execute transactions (or series of transactions) and determining the reasonableness of the brokers’ compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less than the suggested allocations but can (and often

does) exceed the suggestions, because total brokerage is allocated based on all the considerations described above.

Our Senior Management meets periodically to evaluate, among other things, the execution that we are receiving from brokers. In conducting its analysis, the committee may consider the factors listed above, among others, and will review gifts and entertainment received, and any known conflicts of interests (*e.g.*, directing commissions to a broker that employs a family member of one of our employees).

#### *Outsourced Trading*

We have engaged one or more broker-dealers on behalf of our clients to execute and/or direct a portion of client trades on an outsourced basis (each, an “Outsourced Trading Desk”). We believe that such engagement (i) may benefit clients and investors by providing access to each Outsourced Trading Desk’s knowledge and experience, connectivity to execution venues, proprietary and third-party trading technology and other services and (ii) is consistent with our duty to seek best execution. However, such an arrangement differs from the practices of certain asset managers, which rely on their employees to perform certain of these trading functions.

Although generally instructed by us, under the terms of its engagement, an Outsourced Trading Desk can have discretion on matters such as price, execution timing, venue, broker, and other aspects of trade execution. While we will review the services performed by any Outsourced Trading Desk on a periodic basis (see below), it is possible that, in the exercise of its discretion, an Outsourced Trading Desk will execute and/or direct trades under sub-optimal conditions or make trading-related errors that will negatively impact clients.

Use of an Outsourced Trading Desk, and the manner in which we compensate the Outsourced Trading Desk, exposes clients to potential conflicts of interest that would be different than the conflicts of interest posed if we employed our own trading desk personnel. Specifically, when using an Outsourced Trading Desk, clients will bear the fees paid to such desk, which would not be the case if we traded internally. As a result, client expenses are expected to be higher than if we traded with brokers directly. We will only engage an Outsourced Trading Desk on what we consider to be “arm’s-length” and commercially reasonable terms.

In addition, any Outsourced Trading Desk has, and is expected to continue to have, clients other than us and our clients. Other client demands could place limitations on, or reduce the responsiveness of, an Outsourced Trading Desk, which may adversely affect our clients.

Arrangements with Outsourced Trading Desks may expose client transactions to information leakage similar to trading with other executing brokers. We will evaluate and monitor any Outsourced Trading Desk in a manner similar to other brokers and may incorporate additional elements to such review process.

#### *Research and Other Soft Dollar Benefits*

We have entered into soft dollar arrangements with certain brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements create a potential incentive for us to select a broker based on our interest in receiving the research or other products or services offered by such broker, rather than on our clients’ interests in receiving most

favorable execution. Further, soft dollar arrangements pose a possible conflict of interest for us in that such arrangements potentially allow us to pay with client commissions expenses that would otherwise be borne by us. However, we only expect to use client commissions to pay for expenses that would otherwise be borne by our clients (and not by us).

When engaging in soft dollar transactions, we will comply with the safe harbor requirements of Section 28(e) of the Exchange Act. Under this provision, in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for our clients, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services provided by such brokers. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research provided by such brokers may be used to service all clients and not exclusively in connection with the management of the clients that generated the particular soft dollar credits.

Where a product or service obtained with client commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with client commission dollars.

We also execute transactions on behalf of our clients with brokers that provide us with access to bundled services, including access to proprietary research reports (such as standard investment research and credit reports) and invitations to attend conferences. To our knowledge, these services are generally made available to all institutional investors doing business with such brokers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by clients or the volume of business that we direct to such brokers.

During our last fiscal year, examples of items we acquired with client brokerage commissions (or markups or markdowns) include, but are not limited to research services, market data, and systems including Bloomberg.

#### *Brokerage for Client Referrals*

Subject to applicable law, we may direct client brokerage business to brokers that refer prospective investors to us. Because such referrals, if any, are likely to benefit us but may not provide a benefit to our clients, we would have a conflict of interest with our clients when allocating brokerage business to such brokers. To mitigate this potential conflict, we will not allocate brokerage business to a referring broker unless we determine that such allocation is consistent with our best execution duties.

#### *Trade Errors*

We may on occasion experience errors with respect to trades made on behalf of client accounts. We will not reimburse client accounts for losses resulting from trade errors unless in accordance with the terms of the exculpation provision in such client's Governing Documents.

*Aggregation of Orders*

We will not aggregate trades while the Funds are our only clients, since they will operate through a single master-feeder structure.

**Item 13. Review of Accounts***Review of Accounts*

The Funds' portfolios are reviewed, and their performance analyzed, by our CIO on a regular basis. In addition, our CIO and our CCO regularly review the Funds' portfolios to confirm that the securities held by them remain consistent with their investment strategies, objectives and guidelines.

*Reporting*

We furnish investors in the Funds with monthly written unaudited performance reports as set forth in the Funds' Governing Documents. In addition, on an annual basis, we provide investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, we provide certain investors (including our Strategic Investor) with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us (including notifications of redemptions from a Fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

In addition, investors may be provided with certain information about us and the Funds in response to questions and requests. This information may not be distributed to other investors or prospective investors. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

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

Other than the products and services that we receive from broker-dealers (described above in *Item 12*), we do not receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

We pay a third party a fixed fee for marketing advice and support. In addition, the third party is eligible for compensation based on investor referrals.

**Item 15. Custody**

For purposes of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the "Custody Rule"), we are deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and

(iii) we deliver such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

**Item 16. Investment Discretion**

We have discretionary authority to manage securities and other investments on behalf of the Funds. The investors in the Funds generally are not able to place any limits on our authority beyond the limitations set forth in their respective Governing Documents. Under certain circumstances, we may contract with SMA clients to adhere to limited risk and/or operating guidelines imposed by such clients. We would negotiate such arrangements on a case-by-case basis.

**Item 17. Voting Client Securities**

We generally have voting discretion over client securities. Clients are generally not able to direct their votes in a particular situation. Our proxy voting policies and procedures are summarized below.

In the absence of specific voting guidelines from a client or conflicts of interest, we will vote all proxies in the best interests of each Fund. In addition, the Firm may determine to abstain from voting a proxy if it believes that such action is in the best interests of one or more Funds.

In general, we will vote routine matters in accordance with the recommendation of the company's management. Routine matters are typically proposed by management (*i.e.* a company's management, directors, general partners, managing members or trustees) under circumstances where there is not a proxy contest involving such matters. Routine matters generally meet the following criteria: (i) they do not measurably change the structure, management, control or operation of the company; (ii) they do not measurably change the terms of, or fees or expenses associated with, an investment in the company; and (iii) they are consistent with customary industry standards and practices. Any decision to the contrary will be documented in writing.

For non-routine matters when determining whether a specific proposal is in the best interests of a Fund, we may take into account, among other things, (i) the impact on the value of the securities, (ii) the anticipated costs and benefits associated with the proposal, (iii) the effect on liquidity, and (iv) customary industry and business practices. If we deem that the issue being voted upon is not material for the Funds or we determine that the cost of voting a proxy would exceed the expected benefit to the Funds, we will not be obligated to vote on such matter.

Conflicts of interest may arise between the interests of our clients and us or our affiliates. If we determine that we have, or could be perceived to have, a conflict of interest when voting proxies, we will vote in accordance with our proxy voting policies and procedures. We will provide a copy of our proxy voting policies and procedures to clients upon request. We will also disclose to clients upon request how we voted proxies for securities owned by such client.

**Item 18. Financial Information**

We are not required to include our balance sheet for our most recent fiscal year with this Brochure.

**Item 19. Requirements for State-Registered Advisers**

We are not a state-registered adviser.