

Elequin Capital, LP

1359 Broadway
New York, NY 10018

www.elequincapital.com

PART 2A OF FORM ADV: FIRMBROCHURE

March 19, 2024

This brochure provides information about the qualifications and business practices of Elequin Capital, LP. (“Elequin”). If you have any questions about the contents of this brochure, please contact us at compliance@elequincapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Registration with the SEC as a registered investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”), does not imply a certain level of skill or training.

ITEM 2 - Material Changes

This Item requires us to summarize any material change to our Form ADV Part 2A since our last annual amendment. As this is the initial Brochure, there are no material changes to report.

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ITEM 4 - Advisory Business

Elequin Capital, LP (“Elequin,” “Adviser,” “Firm”), a Delaware LP, was established in 2022 with an office in New York, NY. The Firm is principally owned by Peter Gutierrez.

The Adviser serves as the Managing Member of Elequin Holdings, LLC (“Elequin Holdings”), a private fund that invests substantially all of its assets into three trading vehicles: Elequin Digital Strategies, LLC (“Elequin Digital”), Elequin Investments, LLC (“Elequin Investments”), and Elequin Securities, LLC (“Elequin Securities”) (collectively, the “Trading Funds” and together with Elequin Holdings, the “Funds”). As more fully described in Item 8, the Trading Funds have been established to pursue various investment strategies, with Elequin Securities (as a registered broker-dealer) intended to focus on market-making and dealing activities, Elequin Digital focusing on trading involving digital assets; and Elequin Investments pursuing other strategies, which may include convertible bond trading, systematic equity trading, equity option and volatility trading, and biofuel and commodities trading; among others.

As of December 31, 2023, the Firm manages \$353,384,311 in assets under management on a discretionary basis. Elequin does not participate in wrap fee programs.

ITEM 5 - Fees and Compensation

In lieu of paying Elequin an asset-based management fee, each Trading Fund generally will bear its pro rata share of all operating and overhead expenses incurred by Elequin and/or its respective affiliates (such expenses, “Elequin Overhead and IT Expenses”). In addition, Elequin Holdings will be responsible for (and allocate pro rata to its Members) expenses directly attributable to its operations (e.g., audit and legal fees). The Elequin Overhead and IT Expenses include, but are not limited to, salaries and benefits for their employees, principals, members, partners and consultants (except employee bonuses); information and technology related expenses (e.g., fees, expenses and upgrade costs related to hardware, data, infrastructure, software and software development, API development, systems engineering, development and operation, development of analytical programs, risk management programs, trading tools, quote and order logic and management programs, information technology and data security programs and other systems designed to manage and control cyber security risk, hedging tools, connectivity, data, data hosting, and other similar items); and overhead expenses (e.g., rent, utilities, supplies, administrative services and other similar items). Each Trading Fund will reimburse Elequin and/or its affiliates for the Elequin Overhead and IT Expenses for its pro rata share of such expenses regardless of whether such Trading Fund has realized any profit.

Elequin generally will allocate the Elequin Overhead and IT Expenses pro rata among the Trading Funds based on each Trading Fund’s Net Asset Value except for the Elequin Overhead and IT Expenses that can be objectively allocated to only a subset of Trading Funds (e.g., due to difference in strategies, personnel, geographies, etc.). Elequin believes such allocation methodology is reasonable, however, other reasonable options may exist that may yield different results. Elequin may, but shall not be obligated to, engage an independent accounting firm from time to time to assess Elequin’s allocation methodology.

Further, each Trading Fund must pay its pro rata share of Elequin Overhead and IT Expenses even if such expenses are not used for the benefit of such Trading Fund or its investors, which presents a conflict of interest. Elequin and/or its affiliates will derive certain material benefits as a result of receiving reimbursements for the Elequin Overhead and IT Expenses. Such benefits include the Trading Funds bearing a share of Elequin’s and/or its affiliates’ development costs related to intellectual property and trading infrastructure (collectively, the “Elequin IP”) that would otherwise be borne by Elequin and/or its affiliates, enabling Elequin and/or its affiliates to earn certain personal or business tax credits and allowing Elequin and/or its affiliates to attract and retain personnel that it might not otherwise be able to attract or retain. For example, Elequin Overhead and IT Expenses may be used to fund the development of the Elequin IP and to pay the compensation of Elequin personnel, even though such Elequin IP will not be owned by the relevant Trading Fund, and such Elequin IP and personnel may be used by or employed on behalf of, respectively, other funds or proprietary accounts launched by Elequin. Elequin believes this arrangement is more beneficial to investors than a traditional asset-based management fee as the Trading Funds will benefit from the use of the Elequin IP and Elequin’s unique services.

In addition to the Elequin Overhead and IT Expenses, Elequin receives a performance-based fee as described below in “Performance-Based Fees and Side-by-Side Management.”

Additional Fees and Expenses

In addition to fees paid to Elequin and/or its affiliates, the Trading Funds will incur brokerage commissions, transaction fees, service provider fees, and other related costs and expenses directly from the custodian, issuer, or broker-dealer. Execution of transactions may require payment of brokerage commissions by clients. “Item 12 – Brokerage Practices” further describes the factors that Elequin considers in selecting or recommending broker-dealers for the execution of transactions and determining the reasonableness of their compensation (e.g., commissions). Investment activity may also involve other transaction fees payable by the Trading Funds, such as sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic

fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, the Trading Funds may incur certain charges imposed by outside custodians, broker-dealers, and other third parties, such as custodial fees, administrative fees, and transfer agency fees. Elequin does not currently receive any payments from brokers, custodians, or any other third parties relating to its provision of investment advisory services.

At times, Elequin may invest a Trading Fund's assets in mutual funds (including money market funds or similar short-term investment funds) or other pooled investment vehicles sponsored by third parties, such as hedge funds, venture funds, REITs, exchange traded notes and/or ETFs. To the extent that a Trading Fund's assets are invested in other pooled vehicles, the Trading Funds will also typically pay management and/or other fees (such as performance fees) associated with each such mutual fund or other pooled vehicle that are in addition to the fees paid by the Trading Funds to Elequin, as described above. Those fees are described in each pooled vehicles' offering documents (e.g., prospectus or offering memorandum). Such charges, fees, and commissions are exclusive of, and in addition to, Elequin's Fees and Compensation described above.

ITEM 6 - Performance-Based Fees and Side-By-Side Management

In addition to the amounts noted in Item 5, Elequin receives a performance-based allocation of profits from the Trading Funds.

Conflicts of Interest Related to Performance-Based Compensation. A significant percentage of the appreciation (if any) which would otherwise be allocated to clients is paid to Elequin as a performance allocation. To the extent that Elequin charges the Funds, or Fund investors, different types of fees, the Adviser will have a conflict of interest, including that the Adviser may have an incentive to favor a Fund (or client account) for which the Adviser receives (or receives a higher amount of) performance-based compensation or allocations. Elequin currently has no such conflict of interest because it solely advises the Funds. However, if Elequin advises the accounts of other clients in the future, Elequin intends to implement an equitable allocation methodology to mitigate these potential conflicts.

ITEM 7 - Types of Clients

As described in Item 4, Elequin provides investment advice to the Funds. Investment in the Funds is generally limited to investors that meet the eligibility qualifications of both (i) “accredited investors” within the meaning of Regulation D of the Securities Act of 1933, as amended and (ii) “qualified purchasers” within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended, or “knowledgeable employees” of Elequin and its affiliates, within the meaning of Rule 3c-5 under the Investment Company Act of 1940, as amended. Such investors typically will be institutional investors, financial institutions, other investment funds, and high-net-worth individuals, each of whom will make representations concerning their financial sophistication and ability to bear the risk of loss respecting their investment in a Fund.

Minimum investments in the Funds are negotiable and otherwise may be waived or modified in Elequin’s sole discretion.

ITEM 8 - Method of Analysis, Investment Strategies and Risk of Loss

Investment Strategies and Methods of Analysis

Elequin currently provides investment advisory services to the Trading Funds. The investment and trading strategies typically employed by Elequin on behalf of the Trading Funds are described below.

In managing the Trading Funds, Elequin employs proprietary, quantitative investment and trading strategies. These quantitative strategies arise from the systematic application of mathematical, statistical, and other models to historical and real-time data in an attempt to discover persistent patterns in the evolution of market prices, asset volatilities, trading costs, and other relevant fundamental and economic data. These models may assist in identifying profit opportunities arising from the temporary “mispricing” of traded instruments due to over, under, or delayed reactions to relevant events, deviations from certain statistical patterns, dislocations resulting from temporary imbalances of supply and demand, or inefficiencies resulting from the behavior of other market participants. Models may then be combined with information about a Trading Fund’s current investment positions and real-time market data to create buy and sell orders. These orders generally will be executed through an automated trading system, though occasionally manual trades may be placed in a manner consistent with the process of the quantitative system.

While the strategies employed by a Trading Fund are quantitative in nature, certain subjective and qualitative elements are expected to play a significant role in the overall investment strategy. For example, Elequin may use its subjective judgment to determine the weightings and selection of the various models, to decide which models to research or implement at which times and for which investment universes, to select the markets and instruments to target, to determine the values of various control parameters that influence the behavior of the strategies or to override certain signals generated by the models where Elequin believes that such signals may not accurately reflect market trends.

Each Trading Fund’s strategies may use different data, statistical or other techniques, and these data and techniques will vary from time to time due to changing market conditions. Without limiting the scope of potential strategies, such strategies may target varying investment horizons, may involve trading on different exchanges or other trading venues, cover differing investment universes and asset types, and each of these characteristics may change materially over time. Accordingly, Elequin may, in its discretion, revise and/or implement alternative trading strategies on behalf of the Trading Funds.

Elequin Investments

Elequin Investments employs a number of investment strategies, including convertible bond trading, systematic equity trading, equity option and volatility trading, and biofuel and commodities trading.

The convertible bond trading strategy holds positions in convertible bonds, typically hedged with short positions in the underlying equities. The strategy focuses on, but is not limited to, bonds with relatively limited time to a liquidity event (e.g., bond maturity, redemption, or other corporate actions) and may become more concentrated as a bond nears maturity. Investment products traded generally include but are not limited to: convertible bonds; equities; U.S. government obligations.

Systematic equity trading employs arbitrage strategies in both closed-end funds and real estate investment trusts (“REITs”). The closed-end fund arbitrage strategy seeks to generate returns by exploiting short and medium-term mean reversion in closed-end fund discounts. This strategy is intended to be market neutral, seeking to hedge out net asset value risk using ETFs and short positions in other closed-end funds. The REIT arbitrage strategy seeks to capture relative differentials in price-to-book ratios of mortgage, property and commercial REITs. The REIT arbitrage strategy takes long and short positions in equities while

seeking to hedge net exposures to the underlying assets. Investment products traded generally include but are not limited to: equities; options; warrants; swaps; and special purpose acquisition companies (“SPACs”).

Equity option and volatility trading seeks to deploy both proprietary systematic and discretionary investment strategies that encompass a variety of trading disciplines including relative value, convexity, and liquid indices. The strategy seeks to exploit both low and high frequency pricing dislocations across related derivative securities. Investment products traded generally include but are not limited to: equities; futures; options; and options on futures.

Elequin’s biofuel and commodities trading strategy seeks to provide liquidity in over-the-counter (“OTC”) traded ethanol and middle distillates futures. Calendar spreads are used to mitigate exposure to movements in spot prices. Investment products traded generally include but are not limited to: New York Mercantile Exchange / Chicago Mercantile Exchange and Intercontinental Exchange- cleared OTC and listed contracts.

Elequin Securities

Elequin Securities implements an ETF market making strategy that seeks to provide liquidity in ETFs and involves Elequin functioning as an authorized participant with an ETF distributor (managing the creation and redemption of ETF shares in the primary market). Positions are typically held in inventory for a few days to a few weeks and exposures are hedged using offsetting trades in underlying instruments or highly correlated instruments. Investment products traded generally include but are not limited to: U.S. equities; convertible bonds; and municipal bonds.

Elequin Digital

Elequin Digital’s investment strategy seeks to engage in digital currency trading designed to exploit opportunities arising from the trading, settling, and financing complications associated with the nascent digital assets market. The strategy involves providing liquidity to markets for digital asset products, including spot tokens, ETFs, and futures. Elequin’s digital investment strategy generally seeks to trade and hold physical tokens and typically limits exposure by closing out (or hedging) its positions at the end of each business day. The investment strategy is typically implemented through the use of various Investment products, including, but not limited to: equities, futures, digital asset tokens, and options on futures.

Risk of Loss

Elequin’s trading strategies are speculative and involve substantial risk, including the risk of loss of capital. Elequin cannot guarantee any level of performance or that the Funds (or Fund investors) will not incur a loss of capital. Further, investing in securities involves risk of loss that each Fund investor must be prepared to bear. Potential clients, including Fund investors, should consider the following risks before investing with Elequin.

Advisory Risk

There is no guarantee that Elequin’s analysis or recommendations pertaining to particular securities or strategies will produce the intended results. Elequin’s judgment may not be correct and the Funds (and Fund investors) may not achieve their investment objectives. In addition, there is a risk that Elequin may experience computer issues, including equipment or platform failure, loss of internet access, viruses, or other events that may impair our ability to provide advisory services.

General Investment Risk

All investments in financial instruments entail the risk of loss. A Fund may invest in a wide variety of financial instruments, including, without limitation, equities, convertible and municipal bonds, U.S. government securities, options, futures, OTC contracts, and digital assets, all of which involve particular risks. Such investments are subject to investment-specific price fluctuations as well as to macro-economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, local epidemics and global pandemics, national and international political circumstances (including wars, terrorist acts or security operations), domestic and international financial policies and performance, conditions affecting particular investments such as the financial viability, sales and product lines of corporate issuers, national and international politics and governmental events, and changes in income tax laws. Moreover, a Fund may have only limited ability to vary its investment portfolio in response to changing economic, financial and investment conditions. No guarantee or representation is made that a Fund's investment program will be successful, and investment results may vary substantially over time.

Leverage

The low margin and collateral deposits required to trade certain financial instruments may permit a high degree of leverage. A Fund may "leverage" investment returns with options and other derivative instruments. The degree of leverage that a Fund may utilize is not limited to any predetermined level. Additionally, the use of leverage by a Fund will be subject to applicable legal, bank or broker imposed leverage limitations, to the extent applicable. To the extent that a Fund trades with a high degree of leverage, a relatively small price movement in a financial instrument may result in immediate and substantial losses to a Fund. Thus, like other leveraged investments, any trade may result in losses in excess of the amount invested. A Fund may lose more than its initial margin deposit on a trade. In addition, if a Fund is in a leveraged position, any losses would be more pronounced than if leverage were not used and, under particularly adverse circumstances, could exceed its capital.

Reliance on Quantitative Analysis

Elequin's investment strategies rely upon quantitative models and systems. Such models and systems may entail the use of sophisticated statistical calculations and complex computer systems, and there is no assurance that Elequin will be successful in carrying out such calculations correctly or that the use of these quantitative models and systems will not expose the Funds to the risk of significant losses. The efficacy of trading signals produced by a Fund's models and systems is dependent on a number of factors, including, without limitation, the analytical and mathematical foundation of such models and systems, the accurate incorporation of such principles in a complex technical and coding environment, the quality of the data introduced into such models and systems, and the successful deployment of the outputs into the investment process. In addition, the analytical techniques used by Elequin cannot provide any assurance that the Funds will not be exposed to the risk of significant trading losses if the underlying patterns that form the basis for the quantitative models and systems employed by Elequin change in ways not anticipated by Elequin. The effectiveness of quantitative models and systems may diminish over time and attempts to apply existing quantitative models and systems to new or different markets, strategies or financial instruments may prove ineffective.

To the extent that information regarding the positions or trades of any Fund becomes or is required to be made publicly available, there is a material risk that other market participants may seek to reverse engineer Elequin's quantitative investment strategies from such public information. The use of Elequin's investment strategies by other persons, whether as a result of reverse engineering, "front running" or other actions, may have a material adverse effect on the performance of the Funds.

Market Making

Market makers have an obligation to use their capital to provide market liquidity by, among other things, regularly providing two sided (buy and sell) quotes for the securities (or other investment products) in which they act as market-maker. For example, this obligation may create situations, especially during periods of market turmoil, in which Elequin (or a Fund) is obligated to buy shares of an ETF that it would prefer to sell or to sell shares of an ETF would prefer to buy, resulting in reduced profits or loss of capital. Further, this continuous quoting obligation creates additional risk of capital loss due to events including, but not limited to, run away computer processes, computer hardware or software damage, failure of data telecommunication lines, failure of exchange connections, power failure, model errors, human errors, programming errors and systemic slowness.

Being a market maker also requires, at times, effecting transactions reasonably calculated to contribute to the maintenance of a fair and orderly market. This obligation could adversely affect Elequin's (or a Fund's) profitability if Elequin is at times required to trade for its own account in circumstances where there is a lack of price continuity or a temporary disparity between the supply of and demand for a particular ETF, or a temporary distortion of the price relationships between ETFs. By having to support an orderly market, Elequin (and therefore a Fund) is subjected to a higher degree of risk than other market participants. Additionally, one or more of the exchanges on which Elequin acts as a market maker may periodically amend its rules and may make the rules governing Elequin's trading activities as a market maker more stringent or may implement changes that could adversely affect Elequin's (and therefore a Fund's) trading revenues.

Regulation of Broker-Dealer Activities

Elequin Securities is registered as a broker-dealer with the SEC. Broker-dealers are subject to extensive regulation by federal and state authorities and by self-regulatory organizations of which they are members. Elequin Securities' failure to comply with any laws, rules or regulations applicable to it could subject it to penalties which would have a material adverse effect upon Elequin's (and therefore the Fund's) business. Broker-dealers are subject to laws, rules and regulations that cover all aspects of the securities business, including (i) trade practices and trade reporting, (ii) capital structure and net capital levels, (iii) record creation and record retention, (iv) financing of purchases of securities, and (v) conduct of directors, officers and employees, and supervision of personnel and securities activities.

Failure to comply with any of these laws, rules or regulations could lead to adverse consequences, including censure, fine, the issuance of cease-and-desist orders, the suspension or disqualification of personnel, the requirement of an infusion of additional capital, limitations on trading or other business activities, the imposition of remedial undertakings, and even criminal sanctions. Any of these adverse consequences could affect Elequin's (and therefore the Fund's) business. Elequin and its employees may be subject to future claims arising from the violation of these laws, rules and regulations. An adverse ruling against Elequin and its employees, including censure or suspension, or resolution of an enforcement matter alleging such a violation, could cause any of them to pay a substantial fine or settlement, and could result in their suspension or expulsion from the securities industry. Any of these events could have a material adverse effect on Elequin's (and therefore the Fund's) business.

General Risks of Arbitrage Transactions

The success of arbitrage strategies depends often on the ability to execute two or more simultaneous transactions at desired prices. Should such transactions not be executed simultaneously at the desired prices, losses may be incurred on both sides of the transaction. Additionally, separate costs are incurred on both sides of an arbitrage transaction, and substantial favorable price moves may be required before a profit

can be realized. There can be no assurances that the hedging and arbitrage strategies used by Elequin will be successful. The market values of related financial instruments may not move in correlation with each other or in ways anticipated by Elequin and intervening events may cause hedged positions not to perform as anticipated. A hedged position may perform less favorably in generally rising markets than an unhedged position.

Spread Trading

A Fund's strategy may involve spread positions between two or more financial instrument positions. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions, however, do entail a substantial risk that the price differential could change unfavorably causing a loss to the spread position. A Fund's strategy also may involve arbitraging among two or more financial instruments. This means, for example, that a Fund may purchase (or sell) financial instruments (on a current basis) and take offsetting positions in the same or related financial instruments. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavorably causing a loss to the position. Moreover, the arbitrage business is extremely competitive, and many of the major participants in the business are large investment banking firms with substantially greater financial resources, larger research staffs and more investment professionals than will be available to a Fund. Arbitrage activity by other larger firms may tend to narrow the spread between the price at which a financial instrument may be purchased by a Fund and the price Elequin expects to receive upon consummation of a transaction.

Hedging Transactions

A Fund may utilize financial instruments for investment purposes and for risk management and hedging purposes. Since the characteristics of many financial instruments change as markets change or time passes, the success of a Fund's strategy will also be subject to Elequin's ability to continually recalculate, readjust and execute its strategy in an efficient and timely manner. While a Fund may enter into transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Fund than if it had not engaged in any such transactions. Imperfect correlation between positions across a Fund's portfolio may prevent a Fund from achieving its intended exposure or position size, which may expose a Fund to risk of loss. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be mitigated, such as credit risk (relating both to particular financial instruments and counterparties).

Although risk management and monitoring is an integral component of Elequin's strategy, Elequin does not, and is not required to, apply specific risk management or portfolio diversification policies in managing any Fund's portfolio (except to the extent otherwise agreed to by Elequin and Fund investors). To the extent that Elequin engages in transactions intended to hedge certain of the Funds' market risks, such Funds may have exposure to movements of indices, economies or other market characteristics.

Trading in ETFs

The Funds may invest in ETFs both long and short, provide liquidity to ETFs, and/or otherwise use ETFs as part of its hedging strategies. ETFs are funds that track a particular basket or index of securities traded on a public exchange. In this manner, ETFs are similar to open-ended index mutual funds. However, ETFs are traded like stocks on stock exchanges. Accordingly, although investments in mutual funds and ETFs are subject to similar risks, ETFs have certain unique risks not shared by mutual funds. Some of the risks of investments in ETFs include: (i) potentially trading above or below the value of their underlying portfolios due to ETFs being purchased or sold throughout the day versus only at the end of the day; (ii) layering of fees as a Fund would be subject to an ETF's direct fees and expenses; (iii) trading in specialty

or sectors which may be more volatile than a more diversified portfolio; and (iv) tax gains from distributions made by ETFs.

Exchange Traded Vehicles

The Funds may invest in certain exchange traded vehicles (“ETVs”). ETVs issue equity securities (or debt securities that have equity-like attributes) and are organized in the United States. Unlike ETFs, ETVs are not registered with the SEC under the Investment Company Act of 1940. ETVs typically do not own a portfolio of assets, but instead pay interest and principal in a manner that replicates performance of a specified index or asset. For ETVs that are not backed by a pool of assets, owners are general creditors of the issuer of the ETVs and have no claim to or interest in any segregated pool of assets. ETVs are similar to ETFs in that their securities trade on the secondary market and have many of the same types of risks, such as index or referenced asset tracking error, market and share price risks, as well as similar fee and expense structures. ETVs that have investment exposure to the commodities markets may subject them to greater volatility than investments in traditional securities, such as stocks and bonds, or ETFs investing in traditional securities.

Options Trading

The Funds may trade options. An option is a right, purchased for a certain price, to either buy or sell the underlying instrument or product during or at the end of a certain period of time for a fixed price. The risks in trading options are different from the risks in trading the underlying instruments or products, and trading in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. For example, if a Fund buys an option, it will be required to pay a “premium” representing the market value of the option. The value of an option may decline because of a decline in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset or any combination thereof. Unless the price of the underlying instrument or product changes and it becomes profitable to exercise or offset the option before it expires, such Fund may lose the entire amount of the premium. Conversely, if a Fund sells an option, it will be credited with the premium, but will have to deposit margin due to its contingent liability to deliver or accept the underlying instrument or product in the event that the option is exercised. Sellers of certain options are subject to unlimited risk of loss, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the then-market value. The ability to trade in or exercise options may become restricted in the event that trading in the underlying asset becomes restricted.

Commodities and Futures Trading

The Funds may invest in commodities and futures contracts and options thereon. Substantially all trading in commodities and futures has as its basis a contract to purchase or sell a specified quantity of a particular asset for delivery at a specified time, although certain financial instruments, such as market index futures contracts, may be settled only in cash based on the value of the underlying composite index. Futures trading involves trading in contracts for future delivery of standardized, rather than specific, lots of particular assets. Futures prices are highly volatile. Price movements for the futures contracts and options on futures contracts which any Fund may trade are influenced by, among other things, changes in supply and demand relationships, weather, agricultural, trade, fiscal, and monetary programs and policies of governments, U.S. and foreign political and economic events and policies, changes in national and international interest rates and rates of inflation, currency controls, devaluations and revaluations, and sentiments of the marketplace. No assurance can be given that any Fund will be profitable or that it will not incur substantial losses.

Futures are typically traded on “margin.” The open positions must be “marked to market” daily, requiring additional margin deposits if the position reflects a loss that reduces the relevant Fund’s equity below the level required to be maintained and permitting release of a portion of the deposit if the position reflects a gain that results in excess margin equity. In the futures markets, margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits result in a high degree of leverage. Because margin requirements normally range upward from as little as two percent (2%) or less of the total value of the contract, a comparatively small commitment of cash or its equivalent may permit trading in futures contracts of substantially greater value. As a result, price fluctuations may result in a contract profit or loss that is disproportionate to the amount of funds deposited as margin. Such a profit or loss may materialize suddenly, since the prices of futures frequently fluctuate rapidly and over wide ranges, reflecting both supply and demand changes and changes in market sentiment.

OTC and Other Derivative Instruments

In addition to commodities and futures contracts, the Funds may use various derivative instruments, including options, swaps, and other derivatives which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including: (i) exposing a Fund to the risk of loss due to an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment; (ii) lack of liquidity of certain derivative instruments, especially when traded in large amounts, making it difficult to close out a position without incurring a loss; and (iii) the embedded leverage of derivative instruments may magnify the gains and losses experienced by the Funds and could cause their respective net asset values to be subject to wider fluctuations than would be the case if such Funds did not use the leverage feature in derivative instruments.

Digital Assets

Investing in digital asset instruments involves substantially more risk and potential for loss relative to more conventional financial instruments, such as stocks and bonds. Investments of this type should be considered substantially more speculative and significantly more likely to result in a total loss of capital than many other investments. Risks associated with trading and holding digital assets, including physical tokens, include, but are not limited to:

- A limited operating history, which presents challenges in completely understanding of all risks involved, and limited data on the long-term investment potential;
- Opaque spot markets and exchanges that may be subject to the risk of fraud and manipulation given they are not subject to the same level of regulatory scrutiny as U.S. futures exchanges and U.S. securities exchanges;
- No or very limited intrinsic value;
- Rapidly evolving digital asset markets, including advancements in the underlying technology and the evolving regulatory regimes related to such instruments, which may expose a Fund investing in such assets to additional risks which are impossible to predict and make such investments highly speculative;
- Enhanced liquidity risks, valuation issues, and extreme price volatility; and
- Increased risk of cybersecurity hacks that result in the theft, loss and/or destruction of digital assets.

Cyber Security Risk

With the increased use of the Internet and because information technology (“IT”) systems and digital data underlie most of a Fund’s operations, a Fund, Elequin, and a Fund’s service providers and vendors (collectively “Service Providers”) are exposed to the risk that their operations and data may be compromised as a result of internal and external cyber failures, breaches or attacks (“Cyber Risk”). This could occur as a result of malicious or criminal cyber attacks. Cyber attacks include actions taken to: (i) steal or corrupt data maintained online or digitally, (ii) gain unauthorized access to or release confidential information, (iii) shut down the Service Provider website through denial-of-service attacks or (iv) otherwise disrupt normal business operations. However, events arising from human error, faulty or inadequately implemented policies and procedures or other systems failures unrelated to any external cyber threat may have effects similar to those caused by deliberate cyber attacks. Moreover, the everchanging methods and technologies used to obtain unauthorized access to systems through means such as third-party acts, computer error, malicious code, employee error or malfeasance mean that such issues are not known until used against a potential target. Therefore, Elequin and the Service Providers may be unable to anticipate the destructive or invasive methods and technologies that could be used against their systems or to implement adequate protections.

Successful cyber attacks or other cyber failures or events affecting a Fund, Elequin or the Service Providers may adversely impact a Fund or its investors or cause an investment in a Fund to lose value. For instance, such attacks, failures or other events may interfere with the processing of subscriptions and withdrawals, impact a Fund’s ability to calculate its Net Asset Value, cause the release of private investor information or confidential Fund information, impede trading or cause reputational damage. Such attacks, failures or other events could also subject a Fund or its Service Providers to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. Insurance protection and contractual indemnification provisions may be insufficient to cover these losses. A Fund, Elequin, and/or its Service Providers may also incur significant costs to manage and control Cyber Risk. While Elequin and its Service Providers have established IT and data security programs and have in place business continuity plans and other systems designed to prevent losses and mitigate Cyber Risk, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified or that cyber attacks may be highly sophisticated. In addition, a breach in the security of the systems used by Elequin or the Service Providers could result in the theft, disclosure, or loss of investor, proprietary, and other sensitive information relating to Elequin and/or a Fund, which in turn could lead to litigation in which a Fund could incur liability. Cyber Risk is also present for issuers of securities or other financial instruments in which a Fund invests, which could result in material adverse consequences for such issuers and may cause a Fund’s investment in such issuers to lose value.

ITEM 9 - Disciplinary Information

There are no legal or disciplinary events that are material to a client's evaluation of Elequin or the integrity of our management or any employee of our Firm.

ITEM 10 - Other Financial Industry Activities and Affiliations

Elequin Securities is an SEC registered broker-dealer, and investors in Elequin Holdings will indirectly participate in the profits and losses generated by the market-making and dealing operations of Elequin Securities. However, Elequin does not otherwise utilize Elequin Securities in any way related to brokerage or any other trading related or other services on behalf of the other Funds.

Pursuant to Commodities Futures Trading Commission (“CFTC”) Rule 4.13(a)(3) (“minimal commodity interest trading”), Elequin is a commodity pool operator exempt from CFTC registration. However, Elequin anticipates registering as a commodity pool operator, in reliance upon the relief provided by CFTC Rule 4.7.

None of Elequin’s employees or officers recommend or select investment advisers for clients or have any business relationships with other investment advisers.

Other Activities of Elequin and Related Persons. Although Elequin’s principals are expected to commit an appropriate amount of their business efforts to Elequin, they are not in all cases required to devote all of their time to the affairs of Elequin or of the Funds.

Elequin, and the principals and affiliates of Elequin, may engage in, invest in, participate in or otherwise enter into other business ventures of any kind, nature or description, alone or with others, including, without limitation, the management of or investment in other investment or trading accounts, entities or vehicles, and clients shall have no right in or to any such activities or the income or profits derived therefrom.

Elequin and its principals and affiliates are permitted invest and trade for their own accounts, including (in some cases) in securities or derivatives which are the same as or different or opposite from those traded or held by the Funds. As a result, Elequin and its principals and affiliates are expected to from time to time have proprietary investments in securities or derivatives in which the Funds may take a position, may trade and invest simultaneously with the Funds and may take investment positions that are different or opposite from the positions taken by the Funds. As a result, conflicts of interest may arise between the Funds and Elequin or its principals or affiliates with respect to matters such as the allocation of investment opportunities, purchases and sales of securities or derivatives in connection with particular trading situations and allocation of personnel, resources and expenses. The records of trading by Elequin and its principals and affiliates will not be made available to its clients or Fund investors, except to the extent required by law. However, trading by principals and personnel of Elequin will be subject to Elequin’s Code of Ethics and personal trading policy, as described below in Item 11, which seeks to mitigate the conflicts described above.

ITEM 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

It is possible that employees may independently invest in the same securities that are held by and/or recommended to Funds. Elequin employees are eligible to invest alongside clients in the Funds. As such, Elequin has adopted a Code of Ethics that sets forth the standards of conduct expected of employees. All employees including management are required to comply with the provisions of the Code of Ethics. The Code of Ethics includes policies and procedures relating to personal trading, gifts and entertainment involving business associates, outside activities, charitable donations as well as other potential or actual conflicts of interest. All employees and officers must acknowledge receipt of the Code of Ethics and report any violations of the Code to the Chief Compliance Officer.

In addition, the Code of Ethics requires all employees including management to comply with certain rules designed to protect against insider trading. Pursuant to the Code of Ethics, upon commencement of employment, Elequin's employees who are designated as Access Persons are required to provide an initial holdings report disclosing all personal brokerage accounts, private placements, and investments of limited opportunity (e.g. "hedge funds"). In addition, employees must thereafter provide a personal trading report to the Compliance department within 30 days after the end of each calendar quarter. This report must include every securities transaction (excluding transactions effected in any account over which neither Elequin nor the employee has any direct influence or control, and transactions in securities that are direct obligations of the Government Of the United States, bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements, or shares issued by registered open-end investment companies) in which the employee, the employee's immediate family or trusts of which the employee is a trustee or in which the employee has a beneficial interest have participated during the quarter.

Certain personal trades must be pre-cleared by the Chief Compliance Officer, including investments in private placements and initial public offerings, as referenced above, and such pre-clearance will apply to initial public offerings and private placements, as further described in Elequin's Code of Ethics. Each employee is also required to provide an annual report of brokerage accounts and holdings along with an acknowledgement at least annually that the employee will comply with the provisions of the Code of Ethics.

Clients or prospective clients may obtain a copy of the Code of Ethics upon written request using the address on the front page of this Brochure.

ITEM 12 - Brokerage Practices

Elequin has a duty to seek best execution of transactions for its clients. “Best execution” is generally understood to mean the most favorable cost or net proceeds reasonably obtainable under the circumstances. In seeking best execution, Elequin looks for the best combination of transaction price, quality of execution (e.g., the speed of execution, the likelihood the trade will be executed, etc.), and other valuable services that an executing broker/dealer may provide.

Elequin, on behalf of the Funds, has the authority to select the broker/dealer to be used for the purchase or sale of securities. Elequin, in seeking best execution, will make this selection based on a number of factors, which may include, but are not limited to, the following: the broker/dealer’s financial soundness; the broker/dealer’s ability to effectively and efficiently execute, report, clear, and settle the order; the broker/dealer’s ability to commit capital; the broker/dealer’s ability to timely and accurately communicate with Elequin’s trading desk and operations team; the broker/dealer’s commission rates; the number of shares being purchased or sold; and similar factors. Elequin does not consider any client referrals from a broker/dealer when determining best execution, or when placing client trades.

Elequin is not obligated to choose the broker/dealer offering the lowest available commission rate if, in Elequin’s reasonable judgment, the total cost or proceeds from the transaction may be less favorable than what may be obtained elsewhere or if a higher commission is justified by the service and/or research provided by another broker/dealer.

Elequin has implemented a policy to address the conflicts of interest associated with its brokerage practices. To determine that it is receiving best execution for its transactions over time, Elequin will obtain information as to the general level of commission rates being charged by the brokerage community, from time to time, and may periodically evaluate the overall reasonableness of brokerage commissions paid on client transactions by reference to such data.

Cross Trades

Elequin does not engage in cross transactions as a matter of policy.

Soft Dollars

Elequin does not currently engage in soft dollar arrangements with its brokers or custodians.

Commission Sharing Arrangement

Elequin does not currently engage in commission-sharing arrangements with its brokers or custodians.

Trade Allocation and Aggregation

Because Elequin currently advises only the Funds, which generally pursue different trading opportunities and instruments from each other, it is not anticipated that Elequin will typically aggregate their trades, nor does Elequin expect the Funds to compete with each other for investment opportunities within their respective mandates. In the event that this should change in the future, Elequin will adopt policies and procedures for the equitable aggregation and allocation of orders for multiple clients.

Initial Public Offerings

Elequin does not intend to invest in equity Initial Public Offerings on behalf of the Funds at this time.

ITEM 13 - Review of Accounts

Account Reviews. Elequin uses a third-party fund administrator to provide day-to-day administrative and bookkeeping services to the Funds. Elequin conducts daily trade reviews and reconciliations of the positions held by the Funds to the records of the Funds' brokers and analyzes certain performance and risk measures. These reviews are conducted by Elequin's operations personnel.

Fund Reporting. As agreed upon between Elequin and third-party Fund investors, Fund investors receive regular reports including information regarding net assets and performance. In addition, Elequin generally expects that the Funds will obtain and provide audited financial statements annually to Fund investors.

ITEM 14 - Client Referrals and Other Compensation

Elequin does not receive economic benefits from third-parties for providing investment recommendations for client referrals.

Elequin does not utilize third-party solicitors for the purposes of obtaining new clients.

ITEM 15 - Custody

Elequin is deemed to have custody of the funds and securities in the Funds. As a result, Elequin maintains such funds and securities at an independent “qualified custodian” as defined under Rule 206(4)-2 of the Advisers Act. Such custodians may be broker/dealers, banks, trust companies, or other qualified institutions.

An independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, will audit the Funds on an annual basis, and copies of the audited financial statements will be sent to the investors in the Funds (as applicable), within 120 days of such Funds’ fiscal year-end.

ITEM 16 - Investment Discretion

Elequin exercises discretionary authority over the Trading Funds, pursuant to authority granted by the constituent documents of the Funds, and accordingly, determines the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with any investment objectives and guidelines established between Elequin and third-party investors (as applicable).

ITEM 17 - Voting Client Securities

Elequin does not expect to vote proxies for securities held by the Funds. In light of Elequin's trading methodology and investment focus, Elequin does not believe that it would be cost-effective for the Adviser to review each proxy vote and assess the underlying proposals, as the outcome of such proposals typically does not materially impact the implementation of Elequin's investment strategies. Elequin will analyze on a periodic basis the practicability and estimated costs associated with casting such proxies on behalf of the Funds against any estimated potential benefits and strategic relevance of doing so, and reserves the right to vary this practice where it determines that doing so is in the best interests of a Fund and Fund investors, although it is not anticipated that Elequin will do so.

Fund investors may obtain a copy of Elequin's proxy voting policies and procedures and information about whether and how any proxies were voted on behalf of the Funds by contacting Elequin's Chief Compliance Officer using the email address listed on the cover page.

ITEM 18 - Financial Information

Elequin does not require or solicit prepayment of fees from clients and does not have any financial condition that would impair its ability to meet contractual commitments to clients.

ITEM 19 - Requirements for State-Registered Advisers

This item is not applicable to Elequin.