

Item 1. Cover Page

Square Circle IA LP

105 Newbury Street, 4th Floor
Boston, Massachusetts 02116

March 28, 2024

FORM ADV PART 2A: FIRM BROCHURE

This brochure (this “Brochure”) provides information about the qualifications and business practices of Square Circle IA LP. If you have any questions about the contents of this Brochure, please contact us by e-mail at info@sqrcl.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 Square Circle IA 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 Square Circle IA LP is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

There are no material changes to report since March 30, 2023, the date Square Circle IA LP filed its most recent updating amendment to its Brochure. Nonetheless, clients are encouraged to read this document in its entirety.

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Item 4. Advisory Business

Square Circle IA LP (“we,” “us,” “our,” or the “Firm”) is a Delaware limited partnership that was formed in December 2020. We are principally owned and controlled by Dong Han (directly or indirectly through one or more trusts), our founder and Portfolio Manager (the “Principal”).

We provide discretionary investment advice to the following private funds: Anaxagoras LP (the “A-Fund”) and Oenopides LP (the “O-Fund”), (collectively, the “Funds”). We may also provide investment advice to additional private funds and separately managed accounts for institutional, non-retail investors (“SMAs”) in the future. References throughout this document to “clients” refer to the Funds and any other private funds and SMAs that we may advise in the future.

The Funds are managed in accordance with their own investment and trading objectives, as described in their 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 Governing Documents. However, future SMAs may include certain investment restrictions and/or operating guidelines, and we may tailor our advisory services to the needs of future clients. We would negotiate such arrangements on a case-by-case basis. (See *Item 16 - Investment Discretion*.)

Square Circle GP LLC, one of our related persons (the “General Partner”), serves as the general partner to the Funds.

Pursuant to the terms of the A-Fund’s Governing Documents, the Principal and her spouse own a separate vehicle (the “Separate Vehicle”) that is required to receive an allocation of investment opportunities within the purview of Funds’ short investment strategy (the “Short Strategy”) in accordance with specified targets that are outlined in the A-Fund’s Governing Documents (the “Short Allocation Methodology”).

We do not participate in wrap fee programs.

As of December 31, 2023, we advised approximately \$388.5 million 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 each Fund’s Governing Documents.

We are entitled to receive a performance-based fee from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

In addition, for our services managing the O-Fund’s long index exposure (the “Beta Exposure”), the O-Fund pays us a quarterly fee in advance as set forth in the O-Fund’s Governing Documents.

Investment Manager Expenses

In lieu of a traditional management fee, the Funds pay their *pro rata* share (as set forth in the Governing Documents) of the aggregate expenses associated with our business (the “Investment Manager Expenses”), including: (i) all expenses in connection with the Principal and employees of the Firm, including, all base compensation and benefits (including, but not limited to, healthcare, dental, vision, and commuter reimbursement plan contributions), payroll and guaranteed payments, administrative fees and

expenses such as those charged by a professional employment organization or an employer of record, withholding and similar taxes, workers' compensation contributions, life insurance premiums, 401(k) and profit sharing and similar retirement plan contributions for employees and the Principal and related administration fees and insurance, professional dues and professional-development related expenses, and the costs of industry conferences; (ii) bonuses (including supplemental, discretionary and formulaic bonuses) paid to employees (other than the Principal) of the Firm; (iii) expenses related to personnel recruiting, retention and severance arrangements including the hiring, on-boarding and termination of employees, and legal expenses related to hiring, counseling and terminating employees; (iv) the Firm's expenses related to professional service providers including legal, administrative, accounting, middle and back office operational services, auditing, valuation, tax compliance and consulting expenses and fees and expenses relating to regulatory compliance matters, including costs of compliance programs, surveillance, regulatory examinations, regulatory or legal inquiries or actions and regulatory filings such as the Firm's Form PF and Form ADV and other similar forms for the Firm, the General Partner or the Principal; (v) fees or expenses related to consultants retained by the Firm for investment and non-investment purposes, including, information technology and software development; (vi) communication systems expenses, including expenses related to telecommunications equipment and data transmission lines, including mobile phones and other personal electronic devices and related data plans; (vii) expenses associated with information systems and technology (both hardware and software, as well as services) developed (including fees and expenses of third parties that assist in such development), or acquired and owned, by the Firm or information systems and technology expenses incurred by the Firm for its compliance, trading, middle and back-office systems, and remote working systems; (viii) expenses related to the Firm's investment research, including, consultants retained by the Firm for due diligence or investigative purposes, expert network firms, fees and expense to access corporate filings and records, market data providers, analytics services, data feeds and data services; (ix) expenses related to the facilities of the Firm, including rent, heating ventilation and air conditioning costs, cleaning, utilities, insurance, parking, postage, office supplies, leasehold improvements, security deposits, and other fees and related costs; (x) investment-related travel and non-investment-related travel, business entertainment, meals, and air and ground travel expenses; (xi) any U.S. or non-U.S. federal, state, local, employment, transaction or other taxes or other government filing fees that the Firm or General Partner is subject to; (xii) such similar expenses as listed above of any affiliates of the Firm, including the General Partner; and (xiii) any expenses associated with the wind-down of Firm and/or the General Partner; provided that the foregoing Investment Manager Expenses will (x) exclude all taxes incurred by the Firm, General Partner or its members on the net income, if any, of the Firm or General Partner, and (y) be subject to a budget-based expense cap as described in the Governing Documents.

The budget-based expense cap will operate as a cap on the aggregate amount of expenses incurred by us that we may charge to the Funds for the calendar year, which will be based on a proposal that we submit to the A-Fund for approval no later than one month prior to the start of the applicable calendar year. Once finalized with the A-Fund, the expense cap for each calendar year will be shared with the O-Fund investors. If during the course of a calendar year, we expect our actual expenses to deviate materially from the approved expense cap, we may seek the A-Fund's approval to increase the expense cap. If such approval is obtained and the expense cap for a calendar year is increased, we will notify the O-Fund investors and share the updated expense cap.

Generally, each Fund's *pro rata* share of the Investment Manager Expenses is paid quarterly in arrears.

Fund Expenses

In addition to the *pro rata* share of the Investment Manager Expenses, each Fund bears its own expenses, including, without limitation, the following: (i) organizational and ongoing operational expenses; (ii) expenses related to any outsourced trading providers; 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 including, without limitation, dividend payments, contingent access fees and pay to hold fees for securities to which the Fund has some or no short exposure; financing fees related to derivative contracts as may be charged by counterparties, 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; and broken deal expenses; (iii) fees and expenses of third-party professionals, including, without limitation, consultants, investment bankers, attorneys, accountants and service providers who, in each case, provide services to the Fund; (iv) organizational fees and expenses and fees and expenses incurred in connection with the offering and sale of the interests, including, without limitation, the following: the preparation and amendment of the Governing Documents, the investment management agreement and the Fund's subscription agreement; fees and expenses of the Firm 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; (v) operational expenses, including, without limitation, the following: fees and expenses to facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations) solely and directly in connection with the Fund, and facilitate and manage the order execution of securities or otherwise manage the Fund; third-party administrative fees and expenses, including fees and expenses of the Fund's administrator and any middle 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; (vi) insurance expenses, including, without limitation, premiums for cybersecurity insurance and liability insurance (including directors and officers liability insurance and errors and omission insurance) covering the Fund, the General Partner, the Firm and the current or former principals, officers, employees, managers, partners, members, affiliates or agents of any of the foregoing (in each case, even if such insurance covers conduct for which indemnity would not be available from the Fund); (vii) costs of preparing and distributing reports and notices to investors (including the development, implementation and maintenance of an investor electronic delivery site and/or system); (viii) entity-level taxes; fees and expenses related to compliance with applicable law and regulations in connection with the activities of the Fund, 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 Section 13 filings, Section 16 filings and other similar regulatory filings for the Fund; and any filings or reporting with respect to compliance with FATCA 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 Fund; and (ix) extraordinary expenses, including, without limitation, the following: the costs of any litigation or investigation involving the activities of the Fund (including attorney's fees and investigative fees and expenses); the cost of settlements and indemnification expenses (including advances thereof) a permitted pursuant to the Governing Documents, (for clarity, the Firm and the General Partner are authorized to commit the Fund to indemnity obligations towards certain counterparties and service providers entering into agreements with the Fund for the provisions of services and otherwise); fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, expenses 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 the Fund (collectively, the “Fund Expenses”). Subject to the other provisions of the Governing Documents, the General Partner (or an entity designated by it) shall be authorized to incur and pay in the name and on behalf of the Fund all Fund Expenses that it deems reasonably necessary.

We have discretion to allocate expenses (i) among the Funds and any other client or account managed by us or our Principal and (ii) among us and the Funds. We may allocate such expenses among such entities and accounts in any manner we deem fair and equitable, taking into account the Funds’ and the other clients’ or accounts’ Governing Documents and applicable facts and circumstances, such as the relative size or target exposure of the applicable entity or account, the nature or source of the product or service and the benefits derived from and the extent of use of the product or services. Nonetheless, the portion of an expense that we allocate to the Funds for a particular product or service might not reflect the relative benefit derived by the Funds from that product or service in any particular instance. Our expense allocations often depend on inherently subjective determinations, but the expense allocations made by us will be in good faith.

In addition, the Separate Vehicle benefits directly or indirectly from research and other expenses that are allocated to and borne by the Funds and, to the extent permitted under the Governing Documents, research and other expenses will be solely allocated to and borne by the Funds notwithstanding any such benefit to the Separate Vehicle.

We may also allocate a portion of certain clients’ capital to exchange-traded funds (“ETFs”) and money market 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.

For a more detailed discussion of brokerage and transaction costs, see *Item 12 - Brokerage Practices*.

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

We are entitled to receive a performance-based fee from the Funds. Such performance fee is generally paid by the Funds when an underlying investor’s capital account has a net relative return greater than an index-based hurdle as set forth in the Governing Documents. We do not manage client accounts that do not pay performance-based compensation.

Side-by-Side Management

As described in the Governing Documents, we currently manage two investment programs: (1) the Short Strategy and (2) the Beta Exposure. Our general policy is to allocate trades and investment opportunities within the purview of the Short Strategy among the Funds and the Separate Vehicle pursuant to the Short Allocation Methodology. The Beta Exposure is only applicable to the O-Fund and only that Fund participates in those investment opportunities.

Participation in specific investment and trading opportunities within the purview of the Short Strategy may be appropriate, at times, to all or only certain Funds. In such cases, we will seek to allocate such opportunities within the purview of the Short Strategy among the Funds based on the Short Allocation Methodology. There are scenarios under which we may deviate from our general allocation methodology based on a number of factors including, but not limited to: (i) a sudden shift of target exposure of a Fund;

(ii) the intended objective and strategy of each Fund and any applicable investment or risk restrictions or guidelines, including leverage constraints and position limits; (iii) the relative amounts of capital in each Fund available for new investments of the type at issue; (iv) a Fund's current margin level and available excess margin to support additional exposure to an existing position or exposure to a new position on a leveraged basis, (v) our perception of the appropriate risk/reward ratio for each Fund, taking into account, among other things, market exposure, anticipated volatility and diversification; (vi) the liquidity of each Fund at the time of investment and thereafter; (vii) whether the position is an "odd lot"; (viii) whether the position is being added in a "de minimis" amount; (ix) applicable contractual, legal, tax and regulatory considerations; (x) the overall portfolio composition of each Fund; (xi) and such other considerations that we determine to be relevant at such time. We have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, the Fund or any other client solely because the Firm purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, any other client or the Fund if, in its reasonable opinion, such security, transaction or investment opportunity is inconsistent with such other Fund's Governing Documents or investment program, or does not appear to be suitable, practicable or desirable for the Fund or the other client account. In particular, when a client ramps up its investment and trading strategy, other clients (such as a Fund) may receive reduced or no allocations of certain securities so that the client ramping up its portfolio obtains its desired exposure and portfolio size.

In addition, because the Funds' performance-based fee is generally based on the Funds' net asset value, we have a potential conflict of interest in valuing the Funds' assets. To mitigate this conflict, the Governing Documents include valuation policy guidelines.

Item 7. Types of Clients

The Funds' investor base consists of institutional investors that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended). We will determine the minimum investment for each client on a case-by-case basis.

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

Methods of Analysis and Investment Strategies Generally

The Funds' investment objective is to generate alpha over a benchmark index over the long term. The Funds invest in, hold, and trade in securities consisting principally, but not solely, of equity, equity-related and credit securities that are traded publicly in U.S. and non-U.S. markets. When deemed appropriate by us, the Funds also may take positions in preferred stocks, convertible securities, warrants, rights, options, (including covered and uncovered puts and calls), swaps (including credit default swaps) and other derivatives instruments, bonds and other fixed income securities, non-U.S. currencies, forwards, futures, and money market instruments. The Funds also use financial leverage through short sales, swaps, derivatives, margin trading and potentially other investment strategies.

Our investment strategy involves research-intensive fundamental analysis. The Funds may make investments in a broad spectrum of industries, geographies and market capitalizations, with a general focus on small and mid-cap companies. We seek opportunities where we believe we possess a differentiated, non-consensus perspective. When we find such opportunities, we seek to concentrate the Funds' capital among those high-conviction ideas. As a result of this concentration, the Funds may have volatile short-term returns.

Among other things, there are no limits on the types of securities in which the Funds may take positions or on the concentration of the Funds' investments in companies, industries, market sectors or derivative positions. We have broad discretion to use any securities trading or investment techniques that we believe are in the interest of the Funds.

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

Risk Factors

The nature of our clients' investments involves certain risks. An investment with us therefore carries substantial risks including, but not limited to, those listed below. Further risk factors are described in the Governing Documents.

Funds Generally

General Investment and Trading Risks. An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. The Funds invests in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The Funds may not achieve their investment objectives and no guarantee or representation is made that the Funds' investment strategy will be successful. The Funds' investment strategy may utilize investment techniques including, but not limited to, trading in put and call options and other derivatives, the use of leverage and short sales, which in practice can, in certain circumstances, maximize the adverse impact to which the Funds may be subject.

Short Selling. The Funds' strategy is primarily focused on engaging in short sales. Short selling involves selling securities which are not owned and borrowing them for delivery to a purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows an investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the security sold short could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. If the prices of securities sold short increase, the Funds may need to provide additional funds or collateral to maintain their short positions. This could require the Funds to liquidate other investments at unfavorable prices to provide additional collateral. In addition, the Funds can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Equity Securities. The value of the equity securities held by the Funds are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.

Options. The Funds intend to buy or sell (write) both call options and put options on various underlying investments including options on specific securities, options on securities indices, and options on security futures contracts. When the Funds writes options, it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns investments of the same class and amount as those to

which the call option applies. A put option is covered when the writer has an open short position in investments of the relevant class and amount. The Funds' option transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another investment position) or a form of leverage, in which the Funds have the right to benefit from price movements in a large number of investments with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions the Funds may enter into, the principal risks involved in options trading can be described as follows: When the Funds buy an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of their investment in the option (including commissions). The Funds could mitigate those losses by selling short, or buying puts on, the investments for which it holds call options, or by taking a long position (*e.g.*, by buying the investments or buying calls on them) in investments underlying put options.

When the Funds sell (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered." If it is covered, the Funds would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Funds might suffer as a result of owning the security. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

Derivatives. Derivatives are financial contracts the value of which depends on, or is derived from, an underlying product, such as the value of a futures or commodities contract. The Funds intend to enter into various derivatives as part of their investment strategy. Derivatives often carry a high degree of embedded leverage and consequently, are highly price sensitive to changes in interest rates, government policies, economic forecasts and other factors which generally have a much less direct impact on the price levels of the underlying instruments. Specifically, the risks generally associated with derivatives include the risks that: (i) the value of the derivative will change in a manner detrimental to the Fund; (ii) before purchasing the derivative, the Funds will not have the opportunity to observe its performance under all market conditions; (iii) another party to the derivative may fail to comply with the terms of the derivative contract; (iv) the derivative may be difficult to purchase or sell; and (v) the derivative may involve indebtedness or economic leverage, such that adverse changes in the value of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself or in heightened price sensitivity to market fluctuations.

Swap Agreements. The Funds intend to enter into various swap agreements ("Swaps") as part of their investment strategy. A Swap is an individually negotiated, non-standardized agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different interest rates, commodity prices, exchange rates, indices or prices, with payments generally calculated by reference to a principal (notional) amount or quantity. Swaps and similar derivative contracts are not currently traded on exchanges; rather, banks and dealers act as principals in these markets. As a result, the Funds are subject to the risk of the inability or refusal to perform with respect to such contracts on the part of the counterparties with which the Funds trade. Swaps may be subject to various other types of risk, including

market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, Swaps can involve considerable economic leverage and may, in some cases, involve significant risk of loss. Depending on their structure, Swaps may increase or decrease exposure to the corporate credit market, equity securities, long-term or short-term interest rates, foreign currency values, corporate borrowing rates or other factors. Swaps can take many different forms and are known by a variety of names. The Funds are not limited to any particular form of Swap if their use is consistent with the Funds' investment objectives and policies, and we anticipate that the Funds invest in interest rate swaps, credit default swaps, total return swaps, variance swaps and other types of Swaps.

Credit Risk. Because derivative transactions in which the Funds may engage involve instruments that are not traded on an exchange but are instead traded between counterparties based on contractual relationships, the Funds are subject to the risk that a counterparty will not perform its obligations under the related contracts. Although the Funds intends to enter into transactions only with counterparties which we believe to be creditworthy, there can be no assurance that a counterparty will not default and that the Funds will not sustain a loss on a transaction as a result.

In situations where the Funds are required to post margin or other collateral with a counterparty, the counterparty may fail to segregate the collateral or may commingle the collateral with the counterparty's own assets. As a result, in the event of the counterparty's bankruptcy or insolvency, the Funds' collateral may be subject to the conflicting claims of the counterparty's creditors, and the Funds may be exposed to the risk of a court treating the Funds as a general unsecured creditor of the counterparty, rather than as the owner of the collateral.

The Funds are subject to the risk that issuers of the instruments in which it invests and trades may default on their obligations under those instruments, and that certain events may occur that have an immediate and significant adverse effect on the value of those instruments. There can be no assurance that an issuer of an instrument in which the Funds invest will not default, or that an event that has an immediate and significant adverse effect on the value of an instrument will not occur, and that the Funds will not sustain a loss on a transaction as a result.

Transactions entered into by the Funds may be executed on various U.S. and non-U.S. exchanges, and may be cleared and settled through various clearing houses, custodians, depositories and prime brokers throughout the world. Although the Funds attempt to execute, clear and settle the transactions through entities we believe to be sound, there can be no assurance that a failure by any such entity will not lead to a loss to the Funds.

Pledge of Collateral. When the Funds enter into short sales they will be obligated, and when the Funds enters into certain derivative transactions they may be obligated, to deposit or pledge an amount of cash or securities that is sufficient under any applicable margin or other collateral arrangements to collateralize their obligations with respect to such short sales or derivative transactions, as applicable. The Funds generally have broad discretion in selecting the collateral it intends to pledge and the manner of such pledge. Pledged collateral may be held in domestic or offshore accounts for the benefit of the applicable secured party. Additionally, pledged collateral may be subject to the credit risk of the secured party as described above.

If the securities posted by the Funds as collateral decline in value, the Funds could be required to deposit additional collateral or potentially suffer liquidation of the pledged securities. In the event of a sudden change in value with regard to the derivatives transaction or the security subject to the short sale, the

Funds might be required to post additional collateral in amounts which may be significant. If the Funds were to default on their obligations with respect to any secured derivative transactions or short sale, the secured party under such transaction may liquidate the pledged collateral to partially or fully satisfy the Funds' obligations thereunder.

Credit Default Swaps. The Funds intends to invest in Credit Default Swaps ("CDS"). The typical CDS 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. The Funds may also sell CDS on a basket of reference entities as part of a synthetic collateralized debt obligation transaction.

As a buyer of CDS, the Funds will be subject to certain risks in addition to those described elsewhere herein. In circumstances in which the Funds do not own the debt securities that are deliverable under a credit default swap, the Funds will be exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called "short squeeze." While the credit default swap market auction protocols reduce this risk, it is still possible that an auction will not be organized or will not be successful. In certain instances of issuer defaults or restructurings (for those CDS for which restructuring is specified as a credit event), it has been unclear under the standard industry documentation for CDS whether or not a "credit event" triggering the seller's payment obligation had occurred. The creation of the ISDA Credit Derivatives Determination Committee (the "Determination Committee") is intended to reduce this uncertainty and create uniformity across the market, although it is possible that the Determination Committee will not be able to reach a resolution or do so on a timely basis. In either of these cases, the Funds would not be able to realize the full value of the CDS upon a default by the reference entity. As a seller of CDS, the Funds will incur leveraged exposure to the credit of the reference entity and become subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, the Funds will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations. In addition, the CDS 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 Fund.

Counterparty risk is always present in CDS. The market for CDS on distressed securities is not liquid (compared to the market for CDS on investment grade corporate reference entities). In the event that current interest rate spreads widen or the prevailing credit premiums on CDS increase, the amount of a termination or assignment payment upon a termination or assignment of a transaction due from the Funds to the CDS counterparty could increase by a substantial amount. In addition, the proper tax treatment of CDS and other derivatives may not be clear. The tax environment for derivatives is evolving and changes in the taxation of derivatives may adversely affect the value of derivatives held by the Fund.

Total Return Swaps. The Funds may invest in total return swaps. As a buyer of total return swaps, the Funds will be obligated to make certain periodic payments in exchange for the total return on a referenced asset, including coupons, interest and the gain or loss on such asset over the term of the swap. The Funds may be required to maintain collateral with the total return swap counterparty. If the Funds fails to fulfill their payment obligations or fails to post any required collateral under a total return swap, the total return swap counterparty may declare an event of default and, as a result, the Funds may be required to pay swap breakage fees, suffer the loss of the amounts paid to the counterparty and forego the receipts from

the counterparty of further total return swap payments.

Stock Index Futures. Using stock index futures for hedging involves several risks. Price movement in the stock index and price movements in the securities that are the subject of the hedge do not always correlate. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and there is no secondary market for those contracts. In addition, there may be no active market for the contracts at any particular time. Some exchanges do not permit trading in particular contracts at prices that fluctuate more than a set limit in any day. If prices fluctuate during a single day beyond those limits, the Funds may not be able to liquidate unfavorable positions promptly and may lose money.

Small- and Mid-Cap Risks. A portion of the Funds' assets may be invested in securities of small-cap and mid-cap issuers. While in our opinion the securities of small- and mid-cap issuers may offer the potential for greater capital appreciation than investments in securities of large-cap issuers, securities of small- and mid-cap issuers may also present greater risks. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses, and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts, and may be subject to wider price swings, and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments, and to market rumors than are the market prices of large-cap issuers. Transaction costs in securities of small- and mid-cap issuers may be higher than in those of large-cap issuers.

Non-U.S. Securities. Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the U.S. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the United States. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. 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 have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Funds' performance.

Currency Exposure and Hedging. The Funds' performance may be significantly affected, either positively or negatively, by fluctuations in currency exchange rates and exchange control regulations because the Funds are denominated in U.S. dollars and they invest in securities that are denominated in non-U.S. currencies. To the extent that we seek to hedge the Funds' currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Funds incur costs in connection with conversions between various currencies. The Funds conduct their currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through hedging transactions such as deliverable or non-deliverable forward contracts and holding foreign currency cash balances.

To the extent the Funds enter into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if we fail to predict accurately the direction of currency exchange rates or the amount of currency to be hedged. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Funds for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate. Any government action that alters the convertibility of a currency or restricts the ability to repatriate funds into U.S. dollars could result in losses to the Fund. There is no guarantee that instruments suitable for hedging currency risks will be available when we wish to use them or will be able to be liquidated when we wish to do so. In addition, we may choose not to enter into hedging transactions with respect to some or all of the Funds' positions that are exposed to currency exchange risk.

Exchange-Traded Funds. The Funds may invest on a long or short basis in ETFs. An ETF is a type of index funds bought and sold on a securities exchange. The risks of owning/shorting ETF shares generally reflect the risks of owning/shorting the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile. ETFs are subject to other risks, including the risk that their prices may not correlate perfectly with changes in the underlying index and the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based.

Cash Management. The Funds do not intend to, but may, hold a significant amount of cash, cash equivalents or money market instruments for various purposes, including preserving liquidity for future investment opportunities, hedging, managing market conditions, and funding withdrawals. When the Funds' investment exposure is reduced, their cash balances or money market investments tend to increase. Furthermore, when instruments other than cash are held (e.g., money market instruments or short-term securities), the Funds will bear their proportional share of the fees and expenses charged through such instruments and there may be greater market risk, illiquidity risk or the risk of operational delays in converting those instruments into cash. In addition, when the Funds hold a significant portion of their portfolio in cash, cash equivalents or money market instruments, their investment results may underperform market indices or a portfolio which is 100% invested. The Funds have authorized their prime brokers to purchase and redeem shares in money market funds based on their available cash balance with each prime broker.

Investment and Due Diligence Process. We may conduct due diligence or assess the likelihood of potential market catalysts on a target company or its securities. When doing so, we may evaluate important and complex business, financial, tax, accounting or legal issues, market sentiment and/or the veracity of assertions or speculation, and expect to rely on resources that are reasonably and publicly available, which in some circumstances, whether known at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of a company or its securities. Data on which any fundamental analysis relies may be inaccurate or may be available to other market participants and not available or known to us. We can never learn all relevant information regarding an investment, a company or its securities. Further, fundamental market information is subject to interpretation and we may misinterpret or incorrectly analyze such information. These and other factors may cause the Funds to (i) invest in securities at times that will cause losses or (ii) refrain from investing in securities at times that would have resulted in gains.

Information Sources and Inside Information. We select securities based in part on information and data that issuers of such securities file with various government agencies or make available to us or that we obtain from other sources. We are not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases complete and accurate information and data is not readily available. We may, directly or indirectly, receive information that restricts our ability to cause the Funds to buy or sell securities for substantial periods of time when the Funds otherwise could realize profit or avoid loss.

Highly Volatile Markets. The prices of financial instruments in which the Funds may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Funds' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Funds are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses.

Use of Leverage. The Funds may leverage their capital. We and General Partner are subject to certain obligations to consider the generation of unrelated business taxable income in making decisions about the Funds' leverage. The Funds may pledge their investments in order to borrow additional funds for investment purposes. The Funds may also leverage their investment return with options, short sales, swaps, forwards, and other derivative instruments. The amount of borrowings which the Funds may have outstanding at any time may be substantial in relation to their capital. While leverage presents opportunities for increasing the Funds' total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Funds would be magnified to the extent the Funds are leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to the Funds' investments could result in a substantial loss to the Funds which would be greater than if the Funds were not leveraged. The use of short-term margin borrowings results in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to satisfy their margin requirements.

Use of Financing. The Funds may borrow by entering into reverse repurchase agreements. Under a reverse repurchase agreement, the Funds sell securities and agree to repurchase them at a mutually agreed date and price. Reverse repurchase agreements may involve the risk that the market value of the securities retained in lieu of sale by the Funds may decline below the price of the securities the Funds have sold but is obligated to repurchase. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the Funds' obligation to repurchase the securities and the Funds' use of the proceeds of the reverse repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the securities that the Funds have purchased has decreased, the Funds could experience a loss. The financing used by the Funds to leverage their portfolios is extended by securities brokers and dealers in the marketplace in which the Funds invest. While the Funds attempt to negotiate the terms of these financing arrangements with such brokers and dealers, their ability to do so is limited. The Funds are therefore subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer's

willingness to continue to provide any such credit to the Fund. Because the Funds currently has no alternative credit facility which could be used to finance their portfolios in the absence of financing from broker-dealers, they could be forced to liquidate their portfolios on short notice to meet financing obligations. The forced liquidation of all or a portion of the Funds' portfolios at distressed prices could result in significant losses to the Funds.

Brokerage Commissions/Transaction Costs. During some periods, the Funds' activities may involve a high level of trading, and the turnover of their portfolio may generate substantial transaction costs. These costs will be borne by the Funds regardless of their profitability.

Hedging Transactions Generally. We will not, in general, attempt to hedge all or any market or other risks inherent in the Funds' portfolio positions, and may hedge certain risks, if at all, only partially. The Funds may choose not, or may determine that it is economically unattractive, to hedge all or certain risks – either in respect of particular positions or in respect of their overall portfolios. The Funds' portfolio composition will commonly result in various directional market risks remaining unhedged. Even if we are successful in reducing or controlling risk through hedging, the cost of hedging may have the effect of reducing returns. Furthermore, it is possible that our hedging strategies will not be effective in controlling risk, due to unexpected non-correlation (or even positive correlation) between the hedging instrument and the position being hedged, increasing rather than reducing both risk and losses.

Systems and Operational Risk. The Funds' investment strategy relies extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor their portfolio and net capital, and to generate risk management and other reports that are critical to oversight of account activities. In addition, certain of our operations and the General Partner's operations interface with or depend on systems operated by third parties, including prime brokers and market counterparties and their sub-custodians and other service providers, and we and the General Partner are not in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses and power failures. Any such defect or failure could have a material adverse effect on the Funds' portfolio.

Counterparty Risk. Some of the markets in which the Funds may affect 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 the terms and conditions of a 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. The Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the Funds have no internal credit function that evaluates the creditworthiness of their counterparties. The ability of the Funds 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 Fund.

Limited Diversification. The Funds' Governing Documents do not limit the amount of the Funds' capital that may be committed to any single investment, industry, or sector. At any given time, it is therefore possible that we may select investments that are concentrated in a limited number or types of

investments. This limited diversity could expose the Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

Litigation Expenses May Adversely Affect Returns. Because we engage in external communications regarding our investment due diligence and share our research and findings, we, the Fund, the General Partner, and/or our respective officers, directors and research consultants may be the target of defamation or other lawsuits by companies included in such due diligence, research and findings. The Funds may be obligated to pay any such litigation or settlement costs to the extent the claim is asserted against the Fund, the General Partner, us, or any of our respective officers, directors or employees; *provided*, that such persons have met the standard of care entitling them to be indemnified. In addition, the Funds may be obligated to provide indemnification to certain employees, consultants and/or other third parties who provide substantial services in relation to investment research or due diligence that results in litigation. Litigation is expensive, even when the underlying claims have no merit, and litigation costs are notoriously difficult to predict. If our research activities, including our sharing of investment due diligence, research and findings, result in material litigation, the Funds could be adversely affected and would bear substantial litigation and related costs.

Cybersecurity Risk. As part of our business, we process, store and transmit large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of our investors. Similarly, our service providers may process, store and transmit such information. Although we and our services providers employ computer security measures designed to protect such information and prevent data loss and security breaches, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to us may be susceptible to compromise, leading to a breach of our network. Our systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of our information systems may cause information relating to the transactions of the Funds and personally identifiable information of our investors to be lost or improperly accessed, used or disclosed.

Our and the Funds' service providers are subject to the same electronic information security threats as us. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of our investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of our or the Funds' proprietary information may cause us or the Funds to suffer, among other things, financial loss, a business disruption, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the investors' investments therein.

Force Majeure. The Funds' investments may be affected by force majeure events (*i.e.*, events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, lightning, outbreaks of an infectious disease, chemical or radioactive contamination or ionizing radiation, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and

construction, accidents, demographic changes, government macroeconomic policies, social instability, uninsurable losses, etc.). Some force majeure events may adversely affect the ability of a party (including the Funds or a counterparty to the Fund) to perform its obligations until it is able to remedy the force majeure event and/or prompt precautionary government-imposed closures of certain travel and business. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the Funds' returns, cause personal injury or loss of life, disrupt global markets, damage property, or instigate disruptions of service. In addition, the cost to the Funds of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect the Funds' expected returns. Certain force majeure events (such as war, terrorism, or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries and/or markets in which the Funds may invest. Military action or governmental sanctions prompted by certain force majeure events may further impact general economic conditions and market liquidity internationally or in the specific markets the Funds invest. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over industry assets, could result in losses to the Funds, including if their investments are canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Funds and their investments.

Fixed Income Securities. The Funds 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.

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 Firm from promptly liquidating unfavorable positions and subject it to substantial losses. In addition, broad aggregate position limits may be imposed by regulators.

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 relationship between the market value of fixed income securities and interest rates 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.

Inflation Risk. Due to a convergence of different economic factors, including scarcity of workers, pent-up demand and insufficient supply, inflation has recently hit a 30-year-high. High inflation may undermine the performance of the Funds' investments by reducing the value of such investments and/or the income received from such investments.

Purchase of Distressed Securities. The Funds may trade 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.

Risks Specific to the O- Fund

Long Index Securities. The O-Fund seeks to reduce its short exposure through the purchase of index securities. We expect the S&P500 to be the O-Fund's sole long index investment. As a result, when the O-Fund's long exposure is greater than its absolute short exposure, it will have a net long bias, and when the O-Fund's long exposure is less than its absolute short exposure, it will have a net short bias. The O-Fund's long index exposure is only intended to manage its net exposure level and is unrelated to the Short Strategy.

Risks of the Beta Exposure. An investment in the O-Fund includes a significant investment in an index. An investment in any index involves significant investment risks, and each investor should independently determine the risks arising from exposure to the index. Performance of the index will be impacted by various factors outside the control or influence of the Firm, including without limitation general market developments, inflation and interest rates. Further, the value of the securities comprising the index (the "Indexed Securities") may fluctuate in accordance with changes in the financial performance of the Indexed Securities issuers (in particular those that are heavily weighted in the index), the value of securities generally and other factors. There is no guarantee that the index will realize positive performance, and it may suffer a partial or total loss.

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

As noted above, Square Circle GP LLC serves as the general partner to the Funds.

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 without obtaining prior written consent from our Chief Compliance Officer (the "CCO"). Additionally, employees are required to provide our CCO with periodic reporting relating to their trading activity and personal accounts. Our policies 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

As noted above, the Principal and her spouse own and self-manage the Separate Vehicle. Because the Separate Vehicle is required to invest in the same Short Strategy as the Funds in accordance with the Short Allocation Methodology (as set forth in the Governing Documents), it is possible that the Funds may not receive their intended allocation of an investment if, for example, there is limited availability of such investment. In such cases, the available amount of such investment will be allocated pro rata based on the intended allocation resulting from the Short Allocation Methodology. In addition, such investments are exempt from the personal trading pre-approval requirement described above. However, all other transactions made by the Separate Vehicle will be subject to such pre-approval requirement.

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, but are not limited to: a broker's ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of a broker; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our other selection criteria.

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.

The Separate Vehicle maintains, and may in the future maintain, brokerage accounts with one or more of the brokers used by the Funds and receives, and may in the future receive, certain benefits from such brokers that would likely not be available to it in the absence of such brokers' relationship with the Funds. We will not commit to conduct any additional level of business with the brokers on behalf of the Funds as a result of the Separate Vehicle and will continue to periodically assess the brokers to confirm that they continue to satisfy their best execution responsibilities to the Funds.

At least semi-annually, we evaluate, among other things, the execution that we receive from brokers. In conducting our analysis, we 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).

Research and Other Soft Dollar Benefits

We do not currently have any formal soft dollar arrangements, but we may enter into such arrangements in the future. Nonetheless, we execute transactions on behalf of our clients with brokers that may provide us with access to bundled services, including access to proprietary research reports (such as standard investment research, economic and market information, and credit reports), corporate introductions, and invitations to attend conferences. To our knowledge, these services are generally made available to institutional investors doing business with such brokers. If we engage in soft dollar transactions in the future, we intend to comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

During our last fiscal year, we acquired with client brokerage commissions (or markups or markdowns) research, such as proprietary research from brokers concerning specific companies, industries or sectors.

Brokerage for Client Referrals

Subject to applicable law, we 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

Client accounts will (i) be responsible for any losses resulting from trading errors and similar human errors unless such losses were attributable to acts or omissions that were made in bad faith or constitute fraud, willful misconduct, gross negligence, material breach of the Governing Documents, or material violation of applicable law or regulation, and (ii) receive any gain from such trading errors, as the case may be. Given the volume of transactions, investors should assume that trading errors (and similar errors) will occur and that client accounts will receive the gain from any such errors, or be responsible for any resulting losses.

Aggregation of Orders

Aggregation, or “bunching,” describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order. To the extent that a security is purchased or sold for more than one Fund, we will generally aggregate orders for such security (if applicable) unless aggregation is not consistent with our duty to seek best execution. To the extent an aggregated order is only partially filled, we will allocate the investment opportunity or partially filled order on a fair and equitable basis. In addition, since the Separate Vehicle is required to invest in the same Short Strategy as the Funds, transactions will be aggregated for such orders. In these cases, both the Funds and the Separate Vehicle will participate in accordance with the Short Allocation Methodology.

Cross Transactions

A cross-trade occurs when an investment adviser effects a trade between two or more of its advisory clients. A cross-trade may be facilitated either as a book entry for each relevant client or through a single broker. We may effect cross-trades in the following situations, among others: (i) to rebalance investments between the Funds, or (ii) for tax or regulatory reasons, or (iii) to reduce the transaction costs that may arise in an open market. All cross-trades between the Funds require the prior approval of the CCO. Cross-trades will be effected only when we believe that they are in the best interests of, and are fair and equitable to, the participating Funds. In making such determination, we will take into account the factors used for allocating investment opportunities among the Funds. Cross-trades will generally be made for cash consideration, generally at the closing price of the particular security or, if no closing price is available, at fair market value. No brokerage commission, transfer fee or other commission will be paid to us or our affiliates in connection with any such transaction.

Item 13. Review of Accounts*Review of Accounts*

The Funds’ portfolios are reviewed and analyzed by our Principal on a regular basis. In addition, our Principal regularly reviews the Funds’ portfolios to confirm that the securities held remain consistent with their investment strategies, objectives and guidelines if applicable.

Reporting

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

Pursuant to “side letter” or other agreements, we may in the future provide certain investors with access to more frequent and/or more detailed information regarding clients’ securities positions, performance, finances, and management and/or other information about our clients or us (including notifications of redemptions from future funds by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of our clients.

In addition, clients and investors may be provided with certain information about us and our clients in response to questions and requests. This information may not be distributed to other clients or investors or prospective clients or investors. Each client and 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 Fund.

Item 15. Custody

For purposes of Rule 206(4)-2 under the Advisers Act (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 its 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 the Funds’ fiscal year.

Item 16. Investment Discretion

We have discretionary authority to manage securities and other investments on behalf of the Fund. The investors in the Funds generally are not able to place any limits on our authority beyond the limitations set forth in the Governing Documents. Under certain circumstances, we may contract with an SMA client to adhere to limited risk and/or operating guidelines imposed by such client. 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 generally are not able to direct their votes in a particular situation. We have adopted proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, we will vote all proxies in accordance with our fiduciary duty to each client, which may result in different voting results for proxies for the same issuer. In addition, we may determine to abstain or not vote a proxy if we believe that such action is in the best interests of a particular client or if the proposal will not have a material effect on the client’s investment strategy. We may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer’s views and recommendations on such proposal; (ii) whether the proposal may have the effect of

entrenching existing management and/or making management less responsive to shareholders' concerns (e.g., instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (iii) whether we believe that the proposal will fairly compensate management for its and/or the issuer's performance. If we deem that the issue being voted upon is not material for us and our clients or we determine that the cost of voting a proxy would exceed the expected benefit to our clients, we will not be obligated to vote on such matter.

Upon the request by a client, we will disclose to such client how we voted proxies for securities owned by such client. We will also provide a copy of our proxy voting policies and procedures to clients upon request.

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.