

**Part 2A of Form  
ADV Brochure  
Document**

**Boulder Hill Capital  
Management LP**

888 Seventh Avenue, 27th Floor  
New York, New York 10106  
(212) 466-6927

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This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Boulder Hill Capital Management LP (“Boulder Hill,” the “firm,” “we,” or “us”). If you have any questions about the contents of this Brochure, please contact us at (212) 466-6927. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or any state securities authority. Boulder Hill is a registered investment adviser with the SEC. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Boulder Hill is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

This is the annual amendment to Boulder Hill's Brochure, which was last updated in March 2023; no material changes have occurred since that filing. However, non-material updates have been included such as updates to the firm's regulatory assets under management.

Investors are encouraged to review this Brochure in its entirety. The information set forth in this Brochure is qualified in its entirety by the applicable offering and governing documents. In the event of a conflict between the information set forth herein and the applicable offering and governing documents, the information set forth in the applicable offering and governing documents shall control.

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## Item 4: Advisory Business

Boulder Hill is an investment advisory firm established in October 2020 and is organized as a limited partnership under the laws of Delaware. Boulder Hill is owned by Mr. John Holloway and JS Capital Management LLC (“JSCM”), a Delaware limited liability company, and has its principal place of business in New York City. The principal owner of JSCM is Jonathan Soros.

We provide discretionary investment management and administrative services to clients (“Clients”) that are privately offered pooled investment vehicles (“Funds”) commonly referred to as “hedge funds” or “private funds.” We serve as an investment adviser for the Funds. The terms of our investment advisory relationships with the Funds are set out in the investment management agreements between Boulder Hill and the Funds, as well as in the governing documents and confidential Private Placement Memoranda or Confidential Offering Memoranda (the “Offering Documents”) of the Funds. The Funds are offered only to investors who are (i) “accredited investors,” as defined in Rule 501 under the Securities Act of 1933, as amended (the “Securities Act”), and (a) “qualified purchasers,” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) or (b) “knowledgeable employees,” as defined in Rule 3c-5 under the Investment Company Act, or (ii) non-U.S. persons. Boulder Hill manages the Funds’ assets in accordance with the investment objectives and restrictions set forth in the Offering Documents. Investment decisions are not made based on the individual financial circumstances of the investors in the Funds (the “Investors”); instead, investment advice is provided directly to the Funds.

Boulder Hill manages the Funds in a master-feeder structure, with one or more feeder funds (“Feeder Funds”) investing all or substantially all of their assets directly or indirectly in Boulder Hill Master Fund LP (the “Master Fund”) or in Boulder Hill Total Return Fund LLC (the “Total Return Fund”). The Total Return Fund invests on a parallel basis with the Master Fund, but targets a significantly higher leverage ratio in its trading program than the Master Fund.

As of December 31, 2023, Boulder Hill managed approximately \$4,858,938,584 of Regulatory Assets Under Management (“RAUM”) on a discretionary basis and did not manage any client assets on a non-discretionary basis.

*This Brochure generally includes information about Boulder Hill and its relationships with the Funds and affiliates. While much of this Brochure applies to all such Funds and affiliates, certain information included herein applies to specific Funds or affiliates only.*

## Item 5: Fees and Compensation

### General Compensation

As explained more fully in each Fund’s respective Offering Documents, investments in the Funds are generally subject to management fees and performance compensation. The amount thereof may vary from Fund to Fund and within a Fund. Funds will offer interests in different classes and/or sub-classes and series and/or sub-series to third-party Investors as well as to certain employees, officers and consultants of Boulder Hill and its affiliates (including related persons and vehicles such as estate planning trusts).

### Management Fees

As of December 31, 2023, Boulder Hill typically charged each Fund into which third-parties invest a management fee at a rate of 1.0% (per annum) of the net asset value of such Fund, although the rate of the management fee may be higher or lower for a Fund or certain Investors. In the case of the Total Return Fund and its Feeder Fund, the management fee is calculated based on leveraged capital. The management fee is typically paid quarterly in advance.

### Performance Allocations

As of December 31, 2023, an affiliate of Boulder Hill generally received, either directly or indirectly, an annual performance allocation, determined with respect to each Investor. The performance allocation borne by an Investor was generally equal 25% of net profits (less the management fee and expenses) allocated to such Investor for the year, subject to a loss carryforward.

With respect to each of the Funds, the performance allocation is based upon both realized and unrealized gains during the relevant calculation period. The rate of the performance allocation may be higher or lower for a Fund or certain Investors.

### Waivers and Reductions

Although the Funds pay the management fee directly to Boulder Hill and allocate the performance allocation to an affiliate of Boulder Hill, these fees and allocations are ultimately borne by the fee-paying Investors. Boulder Hill may, in its sole discretion, elect to waive or reduce the management fee and performance allocation with respect to any Investor. Greater detail regarding the fees and loss carry-forward provisions applicable to the Funds may be found in the applicable Offering Documents.

### Fee Deductions; Timing

As explained more fully in each Fund's Offering Document, the management fee is payable to Boulder Hill on the first business day of each fiscal quarter based on each fee-paying Investor's capital accounts, as well as, in the case of the Total Return Fund and its Feeder Fund, the amount of leverage utilized by the Total Return Fund. A *pro rata* amount of this management fee will be charged on any capital contributions made by new or existing Investors on any date that does not fall on the first calendar day of a fiscal quarter, based on the actual number of days remaining in the partial fiscal quarter (or calendar month). Such fee will be payable upon contribution of the Funds to each respective Fund. In the case of a withdrawal by an Investor other than as of the last day of a fiscal quarter, a *pro rata* portion of the fee will be repaid by Boulder Hill to the withdrawing investor.

The performance allocation (if earned) is assessed and deducted annually. If an Investor withdraws capital, in whole or in part, other than at the end of a fiscal year, a performance allocation (if earned) will be calculated as of the date of the withdrawal and will be assessed to the Investor.

### Additional Expenses Borne by the Funds

In addition to the fees described above, each Fund bears all of its own operating expenses, and each Feeder Fund bears its *pro rata* share of the expenses of the Master Fund or the Total Return Fund, as applicable. Each Investor in a Fund bears its share of the Fund's expenses. As more fully described in each Fund's Offering Documents, the expenses include, but are not limited to:

- Transaction and Investment Related Expenses, including fees and expenses related to investments and potential investments, brokerage commissions, prime broker fees, initial and variation margin, interest and dividend expense, margins, option premiums, brokerage, floor, exchange, and clearinghouse commissions, memberships and fees, other transaction costs and expenses, currency hedging expenses, expenses relating to short sales, obligations incurred in connection with Fund credit arrangements (including repayment obligations, interest, fees and expenses in connection with such credit arrangements), clearing and settlement charges, professional fees (including expenses of senior advisors, operating partners, consultants, investment bankers, attorneys, accountants and other experts as well as their respective travel, meals, accommodation and entertainment expenses) relating to the operation of a Fund or to the management of its investments, transmission costs, expenses associated with purchasing, licensing, maintaining and subscribing for computer software and hardware relating to the operation of a Fund (including, without limitation, research, portfolio tracking, analytics, customer relationship management, project management, expense management, accounting, document management, and trading software such as Bloomberg), trade support and bookkeeping services including, but not limited to, pre- and post-trade support software and related support services relating to the operation of a Fund or to the management of its investments, appraisal costs, valuation expenses, investment-related travel expenses incurred by personnel of Boulder Hill, due diligence costs, expenses associated with the maintenance of financial database software and services, including services providing market data, news data, company financial data, valuation and pricing data and economic data, publications, periodicals, and data processing that are related to research activities on behalf of a Fund, risk analysis and risk reporting by third parties and risk-related and consulting services, fees of providers of specialized data and/or analysis as to specific companies, sectors or asset classes in which a Fund has made or intends to make an investment, and related expenses.
- Ongoing Operational Expenses, including ordinary and extraordinary legal expenses, accounting (including preparation of financial statements), auditing and tax preparation expenses (including estimates), directors' fees, record keeping, administration expenses (including costs associated with any third-party administrator to a Fund), valuation expenses (including costs associated with any third-party independent valuation provider to a Fund or Boulder Hill), the expenses of performance reporting and other communications with investors in the Funds, expenses associated with annual meetings of investors in the Funds, printing and duplication expenses, mailing expenses, the expenses of acquiring and maintaining liability insurance or bonds covering indemnified persons, including commissions, premiums and deductibles to obtain directors' and officers' liability and errors and omissions insurance, indemnification expenses, the expenses of any independent advisory committee, custodian and transfer agency services, fees and expenses relating to software tools, programs or other technology utilized in managing the Funds (including third-party software licensing, subscription implementation, data management and recovery services and custom development costs) and other regular or extraordinary fees and expenses associated with the operation of the Funds.
- Legal and Compliance Expenses, including legal fees and related expenses incurred in connection with a Fund's investments or proposed investments or the ongoing existence of the Fund, including legal costs and related expenses of indemnified persons that may be payable by the Fund pursuant to any indemnification obligations of the Fund and/or any Feeder Funds, legal and compliance third-party fees and expenses allocated to the Fund to the extent such services are related to, or otherwise benefit, the organizational, operational, investment or trading activities of the Fund or a Feeder Fund, legal fees and other expenses incurred in connection with regulatory filings required of the

Fund or necessitated by its operations or investments, including without limitation Schedules 13G or 13D (but excluding Form ADV, Form PF, Form CPO-PQR and Schedule 13F, if applicable), registration fees and expenses incurred in connection with Boulder Hill's compliance with AIFMD and MIFID II, if applicable, litigation and threatened litigation, if any, expenses pertaining to legal inquiries (including regulatory examinations or "sweeps"), and any costs associated with proxy solicitation contests and the preparation of any letters with respect to plans and proposals regarding the management, ownership and capital structure of any portfolio company (and related anti-trust or other regulatory filings) by Boulder Hill in connection with the Fund's investments.

### Joint Expenses

Boulder Hill may from time to time incur expenses jointly on behalf of one or more of the Funds. Boulder Hill will allocate such expenses on a basis that Boulder Hill considers fair and reasonable. In the case of fees and expenses generated in the course of jointly evaluating an investment that is not consummated, Boulder Hill generally will allocate such amounts in its good faith judgment based on the expected participation in such investment. Expenses related to consummated investments will generally be allocated by invested capital.

For more information on the transaction-related expenses that the Funds may incur, as well as on Boulder Hill's broker selection process, please see Item 12 (the "Brokerage Practices" section of this Brochure). Investors should consult the Offering Documents for the relevant Fund for more details on the calculation of fees and expenses.

## **Item 6: Performance Based Fees and Side-by-Side Management**

As described in Item 5 above, affiliates of Boulder Hill receive performance allocations from our Clients. Such performance-based compensation may create an incentive to make investments that are riskier or more speculative than would be the case if such affiliates were compensated solely based on a fixed percentage of a Client's capital or net asset value.

The performance allocations provided for under the Funds' Offering Documents are not the product of arm's length negotiations with any third party. Because performance allocations will be calculated on a basis that includes unrealized appreciation of a Fund's assets, such allocations may be greater than if they were based solely on realized gains.

## **Item 7: Types of Clients**

We provide investment advice on a discretionary basis to onshore and offshore Funds whose interests are offered to high net worth, financially sophisticated, individual and institutional investors that may include investment companies, pension and profit-sharing plans, governmental plans, trusts, estates or other business entities.

The Funds have specified minimum initial investment amounts as set forth in their Offering Documents; such minimums range from \$10 million to \$50 million. Subject to applicable law, the minimum investment thresholds may be waived by a Fund's General Partner or Managing Member (each as defined below in Item 10) in its discretion.

The eligibility requirements and suitability requirements for each Fund are described in the applicable Offering Documents. As described above, the Funds only admit sophisticated Investors that are (i) both

“accredited investors,” as defined in Rule 501(a) of Regulation D under the Securities Act, and “qualified purchasers” (or “knowledgeable employees”), as defined in the Investment Company Act and the rules thereunder, or (ii) non-U.S. persons. Other limitations may apply. Investors in the Funds are required to complete and submit a subscription agreement binding them to the terms of the Funds’ governing documents. Interests in the Funds managed by Boulder Hill are not required to be registered under the Securities Act; accordingly, investment in the Funds is not open to the general public.

The Funds, and in certain cases Boulder Hill, have the discretion to waive or modify the application of, or grant special or more favorable rights with respect to, any provision of the governing documents and offering documents relating to the Funds to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favorable rights, the Funds may create additional classes of interests for certain Investors that provide for, among other things, (i) greater transparency into the Funds’ portfolio, (ii) different or more favorable withdrawal rights, such as more frequent withdrawals or shorter withdrawal notice periods, (iii) greater information than may be provided to other Investors, (iv) different fee terms, (v) more favorable transfer rights and (vi) key-person notifications. Further, the terms of an Investor’s investment in the Funds may be varied in order to address regulatory considerations applicable to such Investor. Certain such waivers, modifications or grants of special or more favorable rights may be effected by the Funds, and, in certain cases, Boulder Hill, through side letters. Although certain Investors may invest in a Fund with different material terms than other Investors in such Fund, that Fund and Boulder Hill generally will only offer such terms if they believe other Investors in that Fund will not be materially disadvantaged. The Funds may create additional classes of interests, and the Funds, or in certain cases Boulder Hill, may enter into side letters with Investors without notice to, or consent of, other Investors; provided, that Boulder Hill will notify all Investors holding Class F interests in a Fund if the Fund enters into any side letter that grants a “Similarly Situated Investor” (as defined in the applicable Fund’s Offering Documents) fee, liquidity, or information rights that are more favorable than those applicable to other Investors in such Fund or a parallel Fund.

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

*The descriptions set forth in this Brochure of the specific advisory services that Boulder Hill provides to Funds and the investments and investment strategies that Boulder Hill pursues on behalf of the Funds should not be understood to limit in any way Boulder Hill’s investment activities. Boulder Hill may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that, in each case, Boulder Hill considers appropriate, subject to each Fund’s investment objectives, guidelines, and Offering Documents. Boulder Hill’s investment strategies are speculative and entail substantial risks. Investors should be prepared to bear the loss of all or a substantial portion of capital invested. There can be no assurance that the investment objectives of any Fund will be achieved.*

### **Methods of Analysis and Investment Strategies**

As explained more fully in each Fund’s Offering Documents, Boulder Hill seeks to extract value from dislocations caused by structural and informational inefficiencies in the market by investing and trading in a broad range of asset classes, including but not limited to equities, fixed income, futures, options and foreign currencies, to extract value from dislocations caused by structural and informational inefficiencies in the market. Boulder Hill seeks to take advantage of mispricing in the foregoing asset classes caused by non-economic market forces, including but not limited to passive indexation,

systematic strategies, and central bank intervention. Boulder Hill believes that the impact from flows relate to these market dynamics, in conjunction with regulatory constraints, high frequency trading and dealers operating under stringent risk constraints, will exacerbate pricing dislocations and create attractive trading opportunities.

### Risk of Loss

As a general matter, investing in securities involves a risk of loss that Investors should be prepared to bear. Moreover, and as explained more fully in each Fund's Offering Documents, the specialized investment program of each Fund involves a substantial degree of risk. Examples of such risks include, but are not limited to:

- The use of proprietary analytical models developed by Boulder Hill and information and data supplied by third parties;
- Master-feeder structure, which may present certain conflicts of interest in determining whether to hold or dispose of an asset because of different tax considerations applicable to any onshore or offshore feeder funds;
- General economic and market conditions, such as interest rates, availability of credit and inflation rates, that, in each case, may affect the level and volatility of prices of securities, commodities or other financial instruments (equity and non-equity) and the liquidity of the Funds' investments;
- The use of margin, short sales, leverage, options on securities, commodities, futures and forward contracts, and other derivatives, which practices can, in certain circumstances, maximize the adverse impact to which the Funds may be subject;
- The possibility of substantial investments in securities of non-U.S. issuers and non-U.S. countries, including emerging markets, which involve liquidity, political and other types of risks not usually associated with investing in securities of U.S. issuers and U.S. government securities;
- Counterparty risk, including settlement and default risk, when effecting transactions in "over-the-counter" or "interdealer" markets; and
- Legal, tax and regulatory changes that are likely to occur during the term of the Funds and that may adversely affect the Funds.

### Additional Risks

Valuation Risks. The assets of the Fund are valued based, to the extent possible, on prices obtained from independent third-party sources including exchanges. The value of those assets of the Fund for which a third-party price is not obtained will be valued based on other sources deemed reliable. Investors should note that there is a risk that a Member that withdraws while the Fund holds particular assets may be paid an amount less or more than it would otherwise be paid if the actual value of such assets is higher or lower than the value reported at the time of withdrawal. In addition, there is a risk that a subscription for Interests could dilute the underlying value of such assets for the other Members if the actual value of such assets is higher than the value reported by the Administrator. There is also a risk that greater Management Fees and Performance Allocations may be paid by the Fund in respect of certain assets or liabilities of the Fund than would have been paid if

the actual value of such assets or liabilities is lower or higher than the value determined for the purposes of calculating those fees and allocations. None of the Managing Member, Boulder Hill or the Administrator is under any liability (including any obligation to remit excess Management Fees or Performance Allocations to the Fund or any of the Members) if a price reasonably believed to be an accurate valuation of a particular asset of the Fund is found not to be such.

Systemic Risk. Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Fund interacts on a daily basis.

Cybersecurity Risk. Boulder Hill, the Fund’s service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Fund and the Members, despite the efforts of Boulder Hill and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and the Members. For example, unauthorized third parties or malicious insiders may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of Boulder Hill, the Fund’s service providers or counterparties or data within these systems. Service providers may maintain employees, contractors or operations in countries that have been sanctioned by the United States Government or other governments, and may, as a result, have their services or operations disrupted. Third parties may also attempt to fraudulently induce employees, customers, service providers or other users of Boulder Hill’s systems to disclose sensitive information in order to gain access to Boulder Hill’s data or that of the Limited Partners. A successful penetration or circumvention of the security of Boulder Hill’s or service provider’s systems could result in the loss of confidentiality, integrity, or availability of such systems or the data residing on such systems, or theft of a Limited Partner’s data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Fund, Boulder Hill or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Insolvency of a Prime Broker. If a prime broker holding assets of the Fund enters into an insolvency proceeding (which may last many years), the use by the Fund of assets held by or on behalf of the prime broker may be restricted. In relation to the Fund's right to the return of assets equivalent to those of the Fund's assets which the prime broker sells, borrows, lends, pledges, re-pledges, hypothecates, re-hypothecates, transfers or otherwise uses for its own purposes, or in respect of which legal and beneficial title is transferred to a prime broker, the Fund will rank as one of that prime broker's unsecured creditors and, in the event of the insolvency of the prime broker, the Fund might not be able to recover such equivalent assets in full. Depending on the amount of assets held at the prime broker at the time of such a proceeding, it may be possible that (a) the ability of Boulder Hill to fulfill the investment objective may be severely constrained, (b) the Managing Member may be required to suspend the calculation of the net asset value of the Fund and as a result subscriptions for and withdrawals of Interests, and/or (c) the value of Interests may be otherwise affected. During such a proceeding, the Fund is likely to be an unsecured creditor in relation to certain assets and accordingly the Fund may be unable to recover such assets from the insolvent estate of the relevant prime broker in full, or at all.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by employees of Boulder Hill, service providers to the Fund or Boulder Hill and/or their respective affiliates could result in significant losses. Such misconduct may include binding the Fund to transactions that exceed authorized limits or present unacceptable risks, unauthorized trading activities, concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses), embezzlement and fraud. Losses could also result from actions by service providers, including, without limitation, failing to recognize trades and misappropriating assets. No assurances can be given that the Managing Member and Boulder Hill will be able to identify or prevent misconduct by employees or service providers, which misconduct could cause significant losses to the Fund.

Business Interruptions. Boulder Hill's investment advisory activities and operations, or the activities and operations of a portfolio company and service providers, could be interrupted or adversely affected by extraordinary events or emergency situations, including, without limitation, outbreaks of infectious diseases, epidemics or pandemics, war, terrorism, failure of technology, disasters, government macroeconomic policies, or social instability. Boulder Hill operates in New York City and a disaster or disruption to the infrastructure that supports the city, or more specifically the offices of Boulder Hill, may have a material adverse impact on the Fund. Although Boulder Hill has a business continuity plan to prepare for such disasters or disruptions and certain system redundancies, there can be no assurance that the measures set forth in such plan will be sufficient. In addition, there are certain types of disasters that are not susceptible to risk mitigation and others are simply not foreseeable.

Member Due Diligence Information. Because prospective investors may ask different questions and request different information, Boulder Hill may provide certain information to one or more prospective investors that it does not provide to all prospective investors. The answers or additional information provided may not be integrated into this Memorandum, and no prospective investor may rely on any such answers or information in making its decision to subscribe for Interests.

## Regulatory-Related Risks

Limited Regulatory Oversight. While the Fund may be considered to be similar to an investment company, it is not required to and does not intend to register as such under the Investment Company Act in reliance upon an exemption available to privately offered investment companies, and, accordingly, the provisions of the Investment Company Act (which may provide certain regulatory safeguards to investors) will not be applicable. The Fund is not required to, and may not, maintain custody of its securities or place its securities in the custody of a bank or a member of a national securities exchange in the manner required of registered investment companies under rules promulgated by the SEC. A registered investment company which places its securities in the custody of a member of a national securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions complying with SEC regulations. The Fund may maintain such accounts at brokerage firms which do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the Securities Investor Protection Act, the bankruptcy of any such brokerage firms might have a greater adverse effect on the Fund than would be the case if it maintained its accounts in accordance with the requirements applicable to registered investment companies.

Changing Regulatory Environment. The regulatory environment for private investment funds is evolving, and changes in regulation could occur that may adversely affect the Fund and its investment results, or some or all of the Members. There is a possibility that, in the future, the Fund may be subject to new or revised legislation or regulations, which may be enforced by entirely new governmental agencies. Similarly, the Fund may be adversely affected as a result of new or revised legislation, or regulations imposed by the SEC, the U.S. Commodity Futures Trading Commission, the IRS, the U.S. Financial Stability Oversight Council, the European Union Alternative Investment Fund Managers Directive, United Kingdom Financial Services Authority or other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. The Fund or some or all of the Members also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive, and may affect the manner in which the Fund conducts business. New laws or regulations may also subject the Fund or some or all of the Members to increased taxes or other costs.

Regulatory Intervention. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to intervene, directly and by regulation, in certain markets, and may restrict or prohibit certain market practices.

The length of such prohibitions and types of securities prohibited vary from country to

country and may significantly affect the value of the Fund's holdings. The Fund is also subject to the risk of the failure of any exchanges on which its positions trade or of the exchanges' clearinghouses. Over the past several years, financial regulators have increased regulation and will likely continue to increase regulation in the near future. The effect of any regulatory change on the Fund could be substantial and adverse, and such regulation may impair the Fund's ability to successfully execute its investment strategies and may increase the costs of its operations. Increased regulation and regulatory oversight of private investment funds and their managers may impose administrative burdens on Boulder Hill, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert Boulder Hill's time, attention and resources from portfolio management activities. Such regulatory inquiries are generally confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as practices of a particular institution. Refer to "Adverse Legal Action; Litigation" below.

On July 21, 2010, major financial services reform legislation in the form of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Reform Act") was enacted. Among other things, the Reform Act includes additional regulation of investment funds and their managers, including registration requirements as well as additional compliance, reporting and disclosure requirements. In addition, the Reform Act grants the CFTC and SEC broad rulemaking authority to implement various provisions of the Reform Act including comprehensive regulation of the over-the-counter ("OTC") derivatives market. These regulations include derivative exchange trading and clearing requirements as well as requiring derivatives dealers and major derivatives market participants to register with the SEC and/or CFTC. The implementation of the Reform Act could adversely affect the Fund by increasing transaction costs and imposing restrictions on the investment or other operations of the Fund and Boulder Hill and its affiliates.

In addition, there can be no assurance that recent tax reform or changes in U.S. economic policy will not have a material adverse effect on the investments and investment strategies pursued by the Fund.

Adverse Legal Action; Litigation. The business of Boulder Hill is subject to extensive and complex regulations. The regulatory bodies with jurisdiction over Boulder Hill generally have the authority to conduct investigations and administrative proceedings, and to grant or cancel Boulder Hill's authority to carry on its business. From time to time, in the ordinary course of operations, Boulder Hill or its affiliates are subject to regulatory inquiries, examinations and investigations from U.S. and non-U.S. governmental agencies, regulatory bodies and securities commissions, which can be costly and occupy significant staff time and resources. Any such inquiry, examination or investigation could lead to civil or criminal proceedings resulting in a censure, fine, penalty and/or other sanction, including asset freezes, the issuance of a cease-and-desist order or the suspension or expulsion of an individual. Any such inquiry, investigation or enforcement proceeding could have a material adverse impact on the Fund. In addition, Boulder Hill and/or the Fund may be party to civil litigation proceedings related to investments. The expense of defending against claims by third parties and paying any

amounts pursuant to settlements or judgments will generally be borne by the Fund.

Material Non-Public Information. As part of its investment advisory activities, Boulder Hill may come into possession of material non-public information of an issuer that it will be prohibited from using for the benefit of the Fund. In such a circumstance, Boulder Hill is generally restricted in its ability to buy and sell the public securities of such issuer on behalf of the Fund. This may occur, for example, if Boulder Hill is contemplating a transaction, including for an investment vehicle other than the Fund, and, as part of that process, obtains material non-public information of an issuer or is required to sign a non-disclosure agreement, even where the Fund will not participate in such transaction. If the Fund has an existing holding that is affected by the obtained material non-public information or the non-disclosure agreement, Boulder Hill may not be able to sell or otherwise dispose of that position for a period of time and the Fund may experience a loss in value, including a total loss, of the position during this period.

In certain limited instances, Boulder Hill may possess material non-public information obtained as a result of Boulder Hill's activities on behalf of a client that it may use to benefit another client. Any such use may be considered in light of relevant disclosures to Boulder Hill's clients, fiduciary obligations, and applicable rules and regulations.

Boulder Hill expects to maintain an information barrier to prevent the sharing of material non-public information and other sensitive information between personnel performing investment and analytic functions on behalf of Boulder Hill and those who are performing similar services on behalf of JS Capital Management. If such information barrier is not maintained, Boulder Hill will be imputed with material non-public information received by JS Capital Management and will be subject to other restrictions on trading in certain securities imposed by JS Capital Management as a result of its affiliate relationship with JS Capital Management. In such a circumstance, Boulder Hill will be restricted in its ability to purchase and/or sell certain securities on behalf of the Fund.

Financial Institution Risks. Actual events involving reduced or limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions or other companies in the financial services industry, including banks and other custodians of a Client's funds and securities, or impact the financial services industry generally, as well as concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems, defaults on financial obligations, non-performance of contractual obligations, and other adverse impacts on these financial institutions, investors that deposit funds and securities at these institutions, lenders and borrowers of these institutions, and other companies in the financial services industry. Investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult to acquire financing on acceptable terms or at all. Any decline in available funding or access to cash and liquidity resources could, among other risks, adversely impact the ability to meet operating expenses, satisfy

financial obligations, liquidate portfolio holdings, withdraw capital, or fulfill other obligations, or result in breaches of financial and/or contractual obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on portfolio holdings, Client performance, or business operations.

Alternative Investment Fund Managers Directive. The European Union (“EU”) Alternative Investment Fund Managers Directive (“AIFMD”) became law in a number of member states of the European Economic Area (“EEA”) and the United Kingdom (the “UK”) on July 22, 2013. The AIFMD regulates the activities of fund managers undertaking fund management activities in the EEA or the UK or marketing fund interests to investors in the EEA or the UK. Boulder Hill is not an authorized investment fund manager under the AIFMD but may be required to comply with certain provisions of the AIFMD and implementing laws and regulations if it markets interests or shares in the Fund in the EEA. Compliance with the provisions of the AIFMD by Boulder Hill may impose additional costs and other restrictions on the investment or other opportunities of the Fund.

UK Exit from European Union. On January 31, 2020, the UK formally left the EU (“Brexit”) and ceased to be a member of the EU. The UK was in a transition period until December 31, 2020, during which the UK and the EU negotiated an agreement on the terms of their future trading and security relationship, which principally relates to the trading of goods rather than services. Further discussions are to be held between the UK and the EU in relation to matters not covered by the trade agreement, such as in relation to financial services.

It is difficult to predict the precise impact of Brexit on the Fund and its investments. This uncertainty is likely to continue to adversely impact the global economic climate and may impact companies or assets, including with respect to opportunity, pricing, regulation, value or exit, considered for prospective investment by the Fund, including in particular companies based in, doing business in, or having service or other significant relationships in, the UK or the EU. The future application of EU-based legislation generally, and to banking, financial services and insurance industries in particular, will ultimately depend on how the UK negotiates its relationship with the EU.

There can be no assurance that any negotiated terms or regulations will not have an adverse impact on the Fund and its portfolio investments, including the ability of the Fund to achieve its investment objectives. Brexit may also have an adverse effect on the tax treatment of the Fund and its portfolio investments. In particular, the EU Directives preventing withholding taxes being imposed on intra-group dividends, interest and royalties may no longer apply to payments made into and out of the UK, meaning that the UK’s double tax treaty network will need to be relied on. Not all double tax treaties fully eliminate withholding tax. Further, there may be changes to the operation of valued added taxes (VAT). While the most immediate impact of Brexit will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement may have an adverse impact on the Fund and the Fund’s transactions, particularly those occurring in or affected by conditions in the UK and Europe.

The Fund will face risks associated with the potential uncertainty and consequences that may follow Brexit, including with respect to volatility in exchange rates and interest rates which may adversely affect the ability of the Fund to execute its strategy, to receive attractive returns or to execute prudent currency hedging policies. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. Brexit could also lead to legal uncertainty and politically divergent national laws and regulations as a new relationship between the UK and EU is defined and the UK determines which EU laws to replace or replicate. Any of these effects of Brexit, and others Boulder Hill cannot anticipate, could adversely affect the instruments in which the Fund invests.

ERISA. If the underlying assets of the Fund were considered “plan assets” of Benefit Plan Investors, Boulder Hill would be considered a fiduciary of such investors. Generally, the fiduciary provisions of ERISA require fiduciaries of a plan subject to ERISA to act for the exclusive benefit of the participants and the beneficiaries of the plans whose assets they manage; to employ the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; to diversify investments so as to minimize the risks of large losses; and to comply with constituent documents of such plans. If the assets of the Fund were considered plan assets for ERISA purposes, Boulder Hill would be prohibited from causing the Fund to enter into certain transactions and would need to determine how the payment of the Management Fee and the Performance Allocation impacts ERISA. In addition, the ERISA compliance obligations could adversely affect the investment activities of the Fund.

Acts of God and Geopolitical Risks. The performance of our Clients could be impacted by acts of God or other unforeseen and/or uncontrollable events (collectively, “Disruptions”), including, but not limited to, natural disasters, public health emergencies (including any outbreak or threat of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These Disruptions may affect the level and volatility of security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment’s profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions.

The extent of the impact of any such Disruptions on Boulder Hill and its Clients will depend on many factors, including, but not limited to, the duration and scope of such Disruptions, the extent of any related travel advisories and restrictions implemented, the impact of such Disruptions on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its interference with important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. A Disruption may

materially and adversely impact the value and performance of any investment, Boulder Hill's ability to source, manage and divest investments, and our ability to achieve its Clients' investment objectives, ultimately resulting in significant losses to Clients and investors. In addition, there is a risk that a Disruption will significantly impact the operations of Boulder Hill, its Clients, or even temporarily or permanently halt their operations.

### Investment-Related Risks

Risks of Investments in Securities Generally. All securities investments risk the loss of capital. No guarantee or representation is made that the Fund's investment program will be successful. The Fund's investment program may involve, without limitation, risks associated with limited diversification, leverage, interest rates, currencies, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject. In addition, the Fund's investment in securities may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund may invest its assets.

The Fund's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

General Economic and Market Conditions. Changes in general economic conditions may affect the Fund's activities. Interest rates, general levels of economic activity, the price of securities, the price of commodities, the rate of inflation and participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment. The Fund's investment strategy and the availability of investment opportunities relies, in part, on the continuation of certain trends and conditions observed in the market for various financial instruments and the larger financial markets and, in some cases, the improvement of such conditions. Consequently, the Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing risks. No assurance can be given that such conditions, trends or opportunities will arise or continue, as applicable.

Material changes and fluctuations in the economic environment, particularly of the type experienced beginning in 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, may affect the Fund's ability to make investments and the value of investments held by the Fund. Such marketplace events also may restrict the ability of the Fund to sell or liquidate investments at favorable times or for favorable

prices.

Equity Securities and Equity-Related Instruments. The Fund will invest long and short in equities and equity-related instruments under its investment program. Stocks, options and other equity-related instruments may be subject to various types of risk, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve economic leverage and may, in some cases, involve significant risk of loss. “Equity securities” may include common stocks, preferred stocks, interests in real estate investment trusts, convertible debt obligations, convertible preferred stocks, equity interests in trusts (including shares issued by trusts registered as investment companies under the Investment Company Act), partnerships, joint ventures or limited liability companies and similar enterprises, warrants and stock purchase rights. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that the Fund holds directly or indirectly may decline over short or extended periods of time. The stock markets tend to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. The volatility of equity securities means that the value of an investment in the Fund may increase or decrease significantly over relatively short periods.

Projections. The Fund may from time to time rely upon projections developed by Boulder Hill or a portfolio company concerning the portfolio company’s future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of Boulder Hill and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash-flow.

Models and Data of Systematic Strategies. Boulder Hill relies heavily on proprietary analytical models developed by Boulder Hill and information and data supplied by third parties (“Models and Data”). Models and Data are used to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of the Fund), and also in connection with the hedging of the Fund’s investments. When Models and Data prove to be incorrect, misleading, or incomplete, any decisions made in reliance thereon expose the Fund to potential risks. For example, by relying on Models and Data, especially valuation models, Boulder Hill may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. Furthermore, when determining the net asset value of the Fund, any valuations of the Fund’s direct or indirect investments that are based on valuation models may prove to be incorrect.

Some of the analytical models used by Boulder Hill are predictive in nature. The use of predictive models has inherent risks. For example, such models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, since predictive models are usually constructed based on historical data

supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data.

All valuation models rely on correct market data inputs. If incorrect market data is entered into even a well-founded valuation model, the resulting valuations will be incorrect. However, even if market data is inputted correctly, “model prices” will often differ substantially from market prices, especially for securities with complex characteristics, such as derivative securities. Similarly, continued access to historical and real time inputs for data are critical to the analytical models. If Boulder Hill ceased, even for a limited period, to have sufficient access to the data underlying the Models and Data such disruption would adversely impact the performance of the Fund.

The Fund’s success is dependent, in part, on the continued accuracy of the assumptions underlying its models. If such assumptions are inaccurate, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and Boulder Hill does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result. Boulder Hill will continue to test, evaluate and add new models, as a result of which the existing models may be modified from time to time. There can be no assurance as to the effects (positive or negative) of any such modification on the performance of the Fund.

The research and modeling process engaged in by Boulder Hill is complex and involves financial, economic, econometric and statistical theories, research and modeling. The results of that process must then be translated into computer code. Although Boulder Hill seeks to hire individuals skilled in each of these functions, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform “real world” testing of the end product increases the chances that the finished model may contain an error; one or more of such errors could adversely affect the Fund’s performance.

Reliance on Third Party Data. In making investment decisions for the Fund, Boulder Hill may rely on data supplied by third parties, including, for example, data related to consumer activities obtained through credit card companies or other sources. When data relied upon by Boulder Hill proves to be incorrect, misleading, or incomplete, any decisions made in reliance thereon expose the Fund to potential risks. For example, Boulder Hill may use predictive models based upon historical data supplied by third parties and the success of relying on such models going forward may depend heavily on the accuracy and reliability of the supplied historical data and the future data to be provided.

Expedited Transactions. Investment analyses and decisions by Boulder Hill may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Boulder Hill at the time an investment decision is made may be limited, and Boulder Hill may not have access to detailed information regarding an investment opportunity. Therefore, no assurance can be made that Boulder Hill will have knowledge of all circumstances that may adversely affect such investment.

Unspecified Use of Proceeds. In general, the proceeds of the offering of the Interests will be used by the Fund to increase the size of certain of the investments currently held by the Fund and to make investments that, as of the date hereof, have not yet been selected by Boulder Hill. Purchasers of Interests will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Fund and, accordingly, will be dependent upon the judgment and ability of the Managing Member and Boulder Hill in investing and managing the capital of the Fund. No assurance can be given that the Fund will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Fund will be achieved.

Short Sales. A short sale involves the sale of a security that the Fund does not own in the expectation of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. To make delivery to the buyer, the Fund must borrow the security, and the Fund is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Fund. In some cases, the lender may rescind the loan of securities, and cause the borrower to repurchase shares at inflated prices, resulting in a loss. When the Fund makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or marketable securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. The extent to which the Fund will engage in short sales depends upon Boulder Hill's investment strategy and perception of market direction.

Restrictions on Short Selling. Many regulators, including the SEC and the U.K. Financial Services Authority, have imposed restrictions and reporting requirements on short selling. These restrictions and reporting requirements may prevent the Fund from successfully implementing its investment strategy and provide transparency to the Fund's competitors as to its positions, thereby having a detrimental impact on the Fund's returns.

Undervalued Securities. One of the objectives of the Fund is to invest in undervalued (i.e., mispriced) securities. The identification of investment opportunities in undervalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognized. Investments in undervalued securities involve a high degree of financial risk and can result in substantial losses. Returns generated from the Fund's investments may not adequately compensate for the business and financial risks assumed.

The Fund may make certain speculative investments in securities which Boulder Hill believes to be undervalued; however, there can be no assurance that the securities purchased will in fact be undervalued. In addition, the Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Fund's capital would be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, the

Fund may finance such purchases with borrowed funds and thus would have to pay interest on such funds during such waiting period.

Fixed Income Securities. The Fund does invest in bonds or other fixed income securities, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a government or one of its agencies or instrumentalities; and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Fund may invest 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 creditworthiness, 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).

Exchange-Traded Funds. The Fund may invest in exchange-traded funds ("ETFs"). As with other investments, investments in ETFs are subject to market risk and, for non-index strategies, selection risk. In addition, with respect to index strategies, imperfect correlation between an ETF's portfolio securities and those in its index, rounding of prices, the timing of cash flows, the ETF's size, changes to the index and regulatory requirements may cause tracking error, which is the divergence of an ETF's performance from that of its underlying index. Investors will indirectly bear their proportionate share of the fees and expenses of any ETF in which the Fund invests. As a result, the cost of investing in an ETF may exceed the cost of investing directly in such ETF's underlying investments.

Private Securities. The Fund may invest in privately issued securities of both public and private companies. There may be little or no publicly available information regarding the status and prospects of issuers of private securities. In such an instance, Boulder Hill will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. In addition, such securities are less liquid than publicly traded securities and may be subject to legal and contractual restrictions on their disposition. The ability of the Fund to dispose of such securities at an attractive price may be dependent upon the issuer conducting a successful IPO. As such, there is no assurance that securities purchased by the Fund will be liquidated at a favorable price or at all.

Non-U.S. Investments. There are additional risks associated with non-U.S. investments, including the following: the unpredictability of international trade patterns; the possibility of governmental actions adverse to business generally or to non-U.S. investors in particular; changes in taxation, fiscal and monetary policies or imposition or modification of controls on non-U.S. currency exchange, repatriation of proceeds, or non-U.S. investment; the imposition or increase of withholding taxes on income and gains; price volatility; absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation which may result in lower quality information being available and less developed

corporate laws regarding fiduciary duties and the protection of investors; governmental influence on the national and local economies; and fluctuations in currency exchange rates. In addition, collateral that is located outside of the United States may be subject to various creditor- protection laws, depending on the country and the obligor, which laws may differ substantially from those applicable in the United States. Repatriation of investment income, capital and the proceeds from sales of investments by non-U.S. investors may require governmental registration and approval in some countries. The Fund could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation.

Certain non-U.S. countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and financing markets (both public and private) of certain countries in which the Fund may invest. There can be no assurance that high rates of inflation outside the United States will not have a material adverse effect on the investments of the Fund.

In addition, non-U.S. investments may be denominated in currencies other than the U.S. Dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. Dollar. The Fund may be affected favorably or unfavorably by currency control regulations or changes in the exchange rate between non-U.S. currencies and the U.S. Dollar. In addition, the Fund will incur costs in connection with conversions between various currencies. The Fund may, but is not obligated to, engage in currency hedging operations. There can be no assurance as to the success of any hedging operations that the Fund may implement.

Investments Are Highly Leveraged. The Fund's investments may be conducted on a highly leveraged basis. Accordingly, a relatively small price movement may result in immediate and substantial losses to the Fund. Like other leveraged investments, any trade may result in losses in excess of the amount invested. In addition, investing in securities or commodities on margin results in interest charges to the Fund. Although the use of leverage can substantially improve the return on invested capital, its use also may increase any adverse impact to which the investment portfolio of the Fund may be subject. The level of interest rates, generally, and the rates at which the Fund can borrow, in particular, may affect the performance results of the Fund. In certain economic environments, the Fund may be unable to obtain the leverage Boulder Hill might otherwise desire to utilize or the financial terms on which leverage is available may be unattractive. Without leverage the Fund may be unable to achieve attractive investment returns.

Hedging Transactions. The Fund may utilize financial instruments such as futures, options, swaps, forward contracts and other derivatives both for investment purposes and risk management purposes. Hedging against a decline in the value of a portfolio investment or market indices generally does not eliminate fluctuations in the values of portfolio investments or prevent losses if the values of such investments decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio investments' value. Such hedging transactions also limit the

opportunity for gain if the value of the portfolio investments should increase. In addition, various investments within the strategy may involve hedges that are insufficient to offset anticipated market price changes. Boulder Hill may utilize hedges, or choose not to hedge, based on judgments about economic or other factors that prove to be incorrect.

Derivative Instruments in General. In managing the Fund, Boulder Hill may use various derivative instruments, including options, futures, forward contracts, 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 the following:

- **Tracking Risk** — When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund from achieving the intended hedging effect or expose the Fund to the risk of loss.
- **Liquidity Risk** — Derivative instruments, especially when traded in large amounts by a small number of counterparties, may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss.
- **Leverage Risk** — Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by the Fund and could cause the Fund's net asset value to be subject to wider fluctuations than would be the case if the Fund did not use the leverage feature in derivative instruments.
- **Hedging Risk** — When a derivative is used as a hedge against an opposite position that the Fund also holds, any loss generated by the derivative should be substantially offset by gains on the hedged investment, and vice versa. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains.
- **Investment Risk** — When the Fund uses derivatives as an investment vehicle to gain market exposure, rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment. The Fund is therefore directly exposed to the risks of that derivative. Gains or losses from derivative investments may be substantially greater than the derivative's original cost.
- **Availability Risk** — Derivatives may not be available to the Fund upon acceptable terms. As a result, the Fund may be unable to use derivatives for hedging or other purposes.
- **Credit Risk** — When the Fund uses derivatives, it is subject to the risk that the other party to the agreement will not be able to perform.

Over-the-Counter Trading. Derivative instruments that may be purchased or sold by the Fund may include instruments not traded on an exchange. Over-the-counter options, unlike exchange-traded options, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which the Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange-traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Highly Volatile Markets. The prices of derivative instruments, including options prices, are highly volatile. Price movements of forward contracts and other derivative contracts in which the Fund’s 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. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Fund also is subject to the risk of the failure of the exchanges on which its positions trade or of their clearinghouses.

Use of Options. The Fund may buy or sell (write) both call options and put options, and when it writes options it may do so on a “covered”<sup>1</sup> or an “uncovered” basis. The Fund’s options transactions may be part of a hedging tactic (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which the Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading (without taking into account other positions or transactions the Fund may enter into) can be described as follows:

When the Fund buys 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 security in the case of a put, would result in a total loss of the Fund’s investment in the option (including commissions). The Fund could mitigate those losses by selling short the securities as to which it holds call options or taking a long position (*e.g.*, by buying the securities or buying options on them) on securities underlying put options.

When the Fund sells (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. This risk is theoretically

unlimited unless the option is “covered.” If it is covered, an increase in the market price of the security above the exercise price would cause the Fund to lose the opportunity for gain on the underlying security assuming it bought the security for less than 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 Fund suffered as a result of owning the security.

The seller of an uncovered put option theoretically could lose an amount equal to the entire aggregate exercise price of the option, if the underlying security were to become valueless. If the option were covered with a short position in the underlying security, this risk would be limited, but a drop in the security’s price below the exercise price would cause the Fund to lose some or all of the opportunity for profit on the “covering” short position assuming the Fund sold short for more than the exercise price. If the price of the underlying security were to increase above the exercise price, the premium on the option (after transaction costs) would provide profit that would reduce or offset any loss the Fund might suffer in closing out its short position.

Stock Index Options. The Fund may also purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for the purpose of realizing its investment objectives or for the purpose of hedging its portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in the Fund’s portfolio correlates with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Fund realizes gains or losses from the purchase or writing of options on indices depends upon movements in the level of prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the Fund of options on stock indices will be subject to Boulder Hill’s ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments.

Swap Transactions. The Fund may engage in all types of swap transactions, including, but not limited to, equity, currency, interest rate and credit default swaps. An equity swap is an agreement to exchange streams of payments computed by reference to a notional amount based on the performance of a basket of stocks or a single stock. Currency swaps involve the exchange of cash flows on a notional amount of two or more currencies based on their relative future values. Interest rate swaps involve an exchange of interest payments on a specific notional principal amount and often involve exchanging a fixed amount per payment period for a payment that is not fixed (the floating side of the swap would usually be linked to another interest rate such as LIBOR). A credit default swap is a specific kind of counterparty agreement which allows the transfer of third-party credit risk from one party to the other whereby if certain prescribed events occur, the counterparty agrees to make certain payments to the other party based on the market value of such third party’s security and/or debt obligations in exchange for regular periodic payments from the other party. The Fund may use these transactions for speculative purposes, such as to

obtain the price performance of a security without actually purchasing the security in circumstances where, for example, the subject security is illiquid, or is unavailable for direct investment or available only on less attractive terms.

Since swaps do not generally involve the delivery of underlying assets or principal, any loss would likely be limited to the net amount of payments required by contract. In some swap transactions, the counterparty may require the Fund to deposit collateral to support its obligation under the swap agreement. If the counterparty to the swap defaults, the Fund would lose the net amount of payments that it is contractually entitled to receive, as well as any collateral deposits made with the counterparty.

Cash and Forward Trading. The Fund may trade cash commodities and forward contracts. These transactions are not exchange-traded, so no clearinghouse or exchange stands ready to meet the obligations of the contract. Thus, the Fund faces the risk that its counterparties may not perform their obligations. This risk may cause some or all of the Fund's gains to be lost. At times, certain market makers have refused to quote prices for cash commodities or forward contracts, or have quoted prices with an unusually wide spread between the price they are prepared to buy and sell. If this occurs, Boulder Hill may be unable to effectively use its cash and forward trading programs, and the Fund could experience significant losses.

Off-Balance Sheet Risk. The Fund may invest in financial instruments with off-balance sheet risk. These instruments include forward contracts, futures, swaps and securities and options contracts sold short. An off-balance sheet risk is associated with a financial instrument if the instrument exposes the investor to an accounting and economic loss in excess of the investor's recognized carrying value in the financial instrument (if any); or the ultimate liability associated with the financial instrument has the potential to exceed the amount the investor recognizes as a liability in its statements of assets and liabilities.

Counterparty Creditworthiness. The Fund is subject to the risk of the inability of any counterparty (including a prime broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The Fund will deliver collateral to its trading counterparties under the terms of its trading master agreements, either by posting initial margin or on a daily mark-to-market basis. Circumstances may arise where a counterparty may be over-collateralized and/or the Fund may from time to time have uncollateralized mark-to-market exposure to a counterparty in relation to its rights to receive securities and cash. In both circumstances the Fund will be exposed to the creditworthiness of any such counterparty and, in the event of the insolvency of a trading counterparty, the Fund will rank as an unsecured creditor in relation to amounts equivalent to any such over-collateralization and any uncollateralized exposure to such trading counterparty. In such circumstances it is likely that the Fund will not be able to recover any such amount in full, or at all. See also "Certain Risk Factors – Over-the-Counter Trading," "Swap Transactions" and "Insolvency of a Prime Broker."

Competition; Availability of Investments. Certain markets and strategies in which the Fund may invest are extremely competitive for attractive investment opportunities. There

can be no assurance that the Fund will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities.

Execution of Orders. The Fund's investment strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments selected by Boulder Hill. The Fund's investment orders may not be executed in a timely and efficient manner because of various circumstances, including, without limitation, systems failures or human error attributable to Boulder Hill, brokers, agents or other service providers. In such event, the Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, the Fund would not be able to achieve the market position selected by Boulder Hill, and might incur a loss in liquidating its position. In addition, the Fund may rely on electronic execution systems, and such systems may be subject to failure, causing the interruption of investment orders made on behalf of the Fund.

New Issues. The Fund may also purchase "new issue" securities. The risk of loss associated with securities purchased in initial public offerings is greater than those in connection with general securities trading. While Boulder Hill believes that "new issues" offer significant potential for gain, the prices of newly issued securities may not increase as expected, and in fact may decline to a significant extent. If Boulder Hill is not correct in its assessment of which new issues will appreciate, the Fund will suffer losses. If Boulder Hill is unable to liquidate such positions in a timely manner, the Fund will be exposed to further losses which could be considerable.

Members Will Be Taxed on Profits Whether or Not Distributed. The Fund is not required to distribute profits, and the Managing Member does not intend to make any regular distributions to Members except to fund the proper withdrawal of amounts by a Member from its Capital Account(s). If the Fund has taxable income in a fiscal year, this income will be taxable to Members in accordance with their distributive share of the Fund's profits, whether or not these profits have been distributed to Members. See "Tax Aspects".

Delayed Schedules K-1. The Fund may not be able to provide final Schedules K-1 to Members for any given fiscal year until significantly after April 15 of the following year. The Fund will provide Schedules K-1 as soon as practicable after its receipt of all of the necessary information. Members should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state and local levels, and the Fund will not be liable for any costs incurred by a Member in connection with any such delays.

Failure of Counterparties to Perform Obligations. In its ordinary course of business, the Firm relies on various counterparties, which include, but is not limited to, brokers, dealers, banks, custodians, and administrators ("Counterparties"). These Counterparties, with which the Firm does business and on behalf of a Fund, may, from time to time, default on their obligations with or without notice. Such defaults include, but are not limited to, a

Counterparty's bankruptcy, insolvency, or other failure. A Counterparty's default on their obligations may impact the Firm's or the Fund's ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at select Counterparties, which may or may not have a current or prior relationship with the Firm or the Fund, should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are recoverable. In the event of a Counterparty's default, the Firm will work diligently to access its capital and take actions it deems appropriate while acting in the best interest of the Fund. However, the Firm's access to capital is subject to a variety of external factors that are outside of the Firm's control, including the timing of default, a government agency's or other organization's actions, including the timing of the Counterparty's closure, ability to liquidate the Counterparty's assets, or to effect the Counterparty's sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty's technology infrastructure operating as intended to facilitate access. Furthermore, the Firm's ability to access capital may have an impact on the Firm's and the Fund's ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

The risks described above do not constitute a complete list of all risks associated with the Funds' investment strategies. In addition, as a Fund's investment program develops and changes over time, an investment in such Fund may be subject to additional and different risk factors.

Investors should refer to a Fund's Offering Documents for a more complete description of the risks involved in investing in such Fund.

## **Item 9: Disciplinary Information**

Neither Boulder Hill nor any of its principals or employees has been involved in any legal or disciplinary events that would be material to a Client's or an Investor's evaluation of Boulder Hill, our personnel, or our investment advisory business.

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

Neither Boulder Hill nor any of its supervised persons is registered or has an application pending to register, as a broker-dealer or registered representative of a broker-dealer. The general partner or managing member of each Fund (each, a "General Partner" or "Managing Member") expects to claim an exemption from the requirement to register as a Commodity Pool Operator (a "CPO") with respect to the Fund under Rule 4.13(a)(3) promulgated by the U.S. Commodity Futures Trading Commission (the "CFTC"). As a result of claiming this exemption, a General Partner or Managing Member will not be required to comply with the

disclosure, reporting and recordkeeping requirements generally applicable to registered CPOs, including delivery to investors of a disclosure document and a certified annual report designed to meet CFTC requirements. Boulder Hill is not required to register as a commodity trading advisor with the CFTC.

All of the Funds are limited partnerships, limited liability companies or corporations within their respective jurisdictions and are controlled by their respective General Partner, Managing Member or board of directors. Boulder Hill, the General Partners, the Managing Members or the board of directors are responsible for decisions regarding such Funds, and Boulder Hill has been delegated full discretion over the management of such Funds' investment activities. Persons acting on behalf of the General Partners and Managing Members generally are subject to the supervision and control of Boulder Hill, with exceptions for any independent directors. All of the General Partners' and Managing Members investment advisory activities are subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the rules thereunder.

Boulder Hill and its personnel will devote to the Funds as much time as deemed reasonably necessary and appropriate. Boulder Hill is not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Funds or may involve substantial time and resources of Boulder Hill. These activities could be viewed as creating a conflict of interest in that the time and effort of Boulder Hill and its personnel will not be devoted exclusively to the business of the Funds but will be allocated between the business of the Funds and the management of the monies of other advisees of Boulder Hill and its personnel.

Boulder Hill and JSCM are permitted to invest in the same portfolio companies at the same or different times. Conflicts could arise as a result of Boulder Hill, JSCM and/or their funds or other clients seeking to invest in, or investing in the same portfolio company, including with respect to sharing information, to the extent that Boulder Hill and JSCM take different views on the management or exit of the same portfolio company, in determinations as to whether to make an investment for their own accounts or on behalf of their funds or other clients. JSCM funds and the Funds may also make investments in different levels of an issuer's structure, such as in the debt and equity or at different levels of the debt structure, which could cause conflicts. In addition, there is no guarantee that a Fund would achieve the returns that it would have without such conflicts of interest or that such conflicts of interest would not otherwise limit or disadvantage the Fund.

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

We have adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act. Rule 204A-1 requires us to establish, maintain and enforce a written code of ethics that (i) sets the standard of business conduct that we require of our employees, (ii) requires employees to comply with applicable federal securities laws, and (iii) contains provisions regulating personal securities transactions by employees.

The Code governs personal trading activities by Boulder Hill's personnel and their immediate family members living in the same household. Among other things, the Code requires Boulder Hill personnel to report all personal trades on at least a quarterly basis and to provide initial and annual holdings reports to the Chief Compliance Officer or their designee. With some limited exceptions (*e.g.*, ETFs and previously grandfathered securities), all transactions for accounts covered by the Code must be cleared in advance. The pre-clearance requirement and certain other prohibitions generally do not apply to trading in personal accounts over which neither the employee nor any of his or her family members has direct or indirect influence or control.

Boulder Hill's personnel are required to certify to their compliance with the Code on a periodic basis. A copy of the Code shall be provided to any Investor or prospective Investor by contacting Boulder Hill's Chief Compliance Officer at (212) 466-6927.

Boulder Hill also maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information in violation of applicable law. In addition, Boulder Hill maintains policies and procedures that address and place limits on the giving and receiving of gifts and entertainment, the making of political contributions, service on outside boards of directors and other outside business activities. Boulder Hill's personnel are also required to certify their compliance with these policies and procedures on a periodic basis.

## **Item 12: Brokerage Practices**

### General Practices

Boulder Hill has complete discretion in selecting brokers and dealers for the execution of securities transactions for the Funds and in negotiating the rates of compensation the Funds pay. Securities transactions made by Boulder Hill on behalf of the Funds generate a substantial amount of brokerage commissions and other compensation, all of which the Funds, and not Boulder Hill, will be obligated to pay. In addition to using brokers on an agency basis, Boulder Hill may buy or sell securities on behalf of the Funds directly from or to dealers acting as principal at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers. Boulder Hill also may utilize one or more brokers who provide specialized services and such broker's commissions will be added to the commissions charged to the Funds by the executing broker(s).

### Broker-Dealer Selection Criteria

In choosing brokers and dealers to effect portfolio transactions for the Funds, Boulder Hill seeks to obtain "best execution" for the Funds' transactions. In evaluating whether a broker-dealer provides best execution, portfolio transactions for the Clients are allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Boulder Hill and/or certain Clients, but not beneficial to all Clients. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Boulder Hill may consider, among

other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow. Boulder Hill, however, will not necessarily consider each factor in every trade. In addition, and subject to its obligation to seek best execution, Boulder Hill is not required to consider any particular criteria, need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Boulder Hill maintains policies and procedures to review the quality of executions, including periodic reviews by our trading, operations, and compliance professionals.

#### Use of Soft Dollars

As of the date of this Brochure, Boulder Hill uses commissions or "soft dollars" (including dealer markups and markdowns arising in connection with certain riskless principal transactions) to pay for research and research-related services. Boulder Hill, at times, receives research reports free of charge from broker-dealers that may provide or seek to provide services to Boulder Hill, the Funds or portfolio companies. When Boulder Hill receives research or other information from a broker-dealer free of charge, it could be viewed as receiving a benefit it does not have to pay for, and Boulder Hill could be viewed as having an incentive to select or recommend a broker-dealer for a transaction on behalf of a Fund based on its interest in receiving such benefits rather than on receiving most favorable execution. In the event that Boulder Hill determines to do so in the future, the use of soft dollars for research and research-related services will come within the safe harbor for the use of soft dollars provided under Section 28(e) of the Securities Exchange Act of 1934 and will be subject to prevailing guidance provided by the SEC regarding Section 28(e).

#### Brokerage for Client Referrals

Boulder Hill does not receive Client (or Investor) referrals from broker-dealers or third parties in return for selecting broker-dealers to execute Fund transactions. Boulder Hill has, however, entered into agreements on behalf of the Funds with certain broker-dealers that act as prime brokers on behalf of the Funds. From time to time, Boulder Hill's personnel may participate in programs for potential investors interested in investing in private funds which are sponsored by those broker-dealers. These conferences and programs may be a means by which Boulder Hill can be introduced to potential investors in the Funds. Currently, neither Boulder Hill nor the Funds directly compensate prime brokers for organizing such "capital introduction" events or for any investments ultimately made by prospective investors attending such events (although either may do so in the future). While such events and other services provided by a prime broker may influence Boulder Hill in deciding whether to use the prime broker in connection with brokerage, financing and other activities of the Funds, Boulder Hill will not commit to allocate a particular amount of brokerage to a prime broker in any such situation.

#### Allocation and Aggregation of Trades

It is Boulder Hill's policy to allocate investment opportunities to all Clients fairly over time in accordance with the Clients' applicable investment strategies. Boulder Hill will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any Client solely because Boulder Hill purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to another Client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be appropriate for the Client. Nor will Boulder Hill have any obligation, when allocating an investment opportunity to two or more Clients, to allocate such investment opportunity on a *pro rata* basis according to the Clients' respective net assets at the time of the investment or according to some other objective standard.

Rather, investment opportunities will generally be allocated among those Clients for which participation in the respective opportunity is considered appropriate, taking into account a number of factors and criteria, including, without limitation: (1) the relative amounts of capital available for new investments; (2) relative exposure to short-term market trends; (3) the investment programs and portfolio positions of the Clients for which participation is appropriate; (4) the requirements of the governing documents of the participating Clients; (5) and such other factors as Boulder Hill deems relevant. Differences in trading can be material and will not necessarily relate back to an objective standard. Boulder Hill will review these differences in an effort to confirm that allocations are effected in a fair and equitable manner over time, taking into account the differing investment objectives of Clients and other factors deemed relevant by Boulder Hill. In addition to allocations of trading and investment opportunities, Boulder Hill may cause Clients to trade in the same or similar securities or opportunities at different times or according to different trading strategies, potentially resulting in different prices or different levels of success in completing an entire order.

If Boulder Hill determines that the purchase or sale of a security is appropriate with regard to one or more Clients, Boulder Hill may, but is not obligated to, purchase or sell such a security on behalf of such Clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Client will receive the average price, with transaction costs generally allocated *pro rata* based on the size of each Client's participation in the order (or allocation in the event of a partial fill) as determined by Boulder Hill. In the event of a partial fill, allocations may be modified on a basis that Boulder Hill deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by Boulder Hill. As a result, certain trades in the same security for one Client (including a Client in which Boulder Hill and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another Client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

#### Cross Trades and Principal Transactions

We may determine that it would be in the best interests of certain Clients to transfer a security from one Client to another (each such transfer, a "Cross Trade"), which can happen for a variety of reasons, including tax purposes, liquidity purposes, to rebalance client portfolios,

or to reduce transaction costs that may arise in an open market transaction. In such circumstances we will follow a policy whereby we determine that the Cross Trade is in the best interests of both of the clients involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those clients. To the extent that Cross Trades may be viewed as principal transactions (as such term is used under the Advisers Act) due to the ownership interest in a Fund by a Fund's General Partner, Managing Member, Boulder Hill or its personnel, Boulder Hill will comply with the requirements of Section 206(3) of the Advisers Act.

In connection with principal transactions, Cross Trades, certain other related-party transactions and certain other transactions and matters involving potential conflicts of interest, a Fund's General Partner or Managing Member is authorized, on behalf of investors, to select one or more persons who are not officers, employees or control persons of Boulder Hill to serve on an independent advisory committee. An independent advisory committee will consider and approve or disapprove such related-party transactions and other material determinations to the extent required by applicable law or as determined by the General Partner or Managing Member.

#### Trade Errors

Boulder Hill will seek to detect prior to settlement and promptly correct and mitigate any losses resulting from trade errors and similar human errors involving any transaction on behalf of a Fund, including: (i) the placement of orders (either purchases or sales) in excess of the amount of securities the Fund intended to trade; (ii) the sale of a security when it should have been purchased; (iii) the purchase of a security when it should have been sold; (iv) the purchase or sale of the wrong security; (v) the purchase or sale of a security contrary to regulatory restrictions or investment guidelines or restrictions; and (vi) incorrect allocations of securities ("Trade Errors"). Subject to applicable law, if Boulder Hill or another indemnified person (or broker or agent selected, engaged or retained by an indemnified person) is entitled to exculpation pursuant to the relevant investment management agreement in connection with acts or omissions that result in any realized or unrealized depreciation in the value of, and expense or other loss incurred with respect to, a security held by the Fund attributable to any Trade Error ("Trade Error Loss"), such Trade Error Loss will be borne directly out of the assets of the Fund. Boulder Hill will evaluate each Trade Error to determine whether a particular Trade Error Loss must be borne by the Fund. To the extent that a Trade Error is caused by a counterparty of the Fund, as applicable, such as a broker or agent, Boulder Hill will use reasonable efforts to try to recover any related Trade Error Losses from such counterparty. Any Trade Error Losses for which Boulder Hill or an indemnified person is liable will be netted against any realized or unrealized appreciation in the value of, and dividend, interest or other gain earned with respect to, securities held by the Fund attributable to Trade Error (except as may otherwise be required by applicable law).

Investors in the Funds should assume that trading errors (and similar errors) could occur. In determining whether Boulder Hill has satisfied the standard of care such that the Funds are responsible for a loss resulting from a trade error, Boulder Hill will have a conflict of interest between its economic interest and the economic interests of the Funds. Finally, the standard of care set forth in the organizational documents and agreements does not constitute a waiver of any legal rights to the extent (and only to the extent) that any applicable U.S. Federal

securities laws or any other laws provide that such rights are not permitted to be contractually waived.

### **Item 13: Review of Accounts**

The firm's investment professionals, including the portfolio managers review the Funds' portfolios on a regular basis. The investment professionals engage in a process to source, research and size investments.

Investors receive a monthly statement from the relevant Fund providing unaudited monthly performance information. Investors receive audited financial statements on an annual basis. Investors in Funds organized as partnerships also receive Schedule K-1s on an annual basis. Investors may request to consult with Boulder Hill regarding their investment in a Fund and discuss significant positions in the Fund's portfolio.

### **Item 14: Client Referrals and Other Compensation**

As noted in Item 12 of this brochure, Boulder Hill does not intend to compensate any person for Client or Investor referrals. Also, as described in Item 12, we may participate in capital introduction programs sponsored by broker-dealers with which we trade. We do not directly compensate broker-dealers for organizing these events. Boulder Hill may enter into arrangements with placement agents to solicit investors in the Funds. If Boulder Hill does engage placement agents, such engagements would present a potential conflict of interest because placement agents would be compensated by Boulder Hill in connection with those solicitation activities. Investors solicited by any such placement agents would be advised of any compensation arrangements relating to their solicitation in accordance with applicable rules under the Advisers Act.

### **Item 15: Custody**

Under Rule 206(4)-2 of the Advisers Act, an investment adviser has "custody" of client funds or securities if it acts in any capacity that gives the adviser legal ownership of, or access to, the client funds or securities. Hence, Boulder Hill has custody of Fund assets because it or its affiliate either (i) acts as General Partner or Managing Member of a Fund with the authority to dispose of funds and securities in such Fund's account or (ii) is deemed to have custody because of its ability to withdraw its fees directly from the Funds. Rule 206(4)-2 imposes certain requirements on registered investment advisers who have actual or deemed custody of client assets. Boulder Hill, however, expects to be exempt from many of the provisions of these requirements because, in accordance with an exception set out in Rule 206(4)-2, (1) the Funds will be audited in accordance with the U.S. generally accepted accounting principles on an annual basis, (2) the independent public accountant conducting the audit is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and (3) audited financial statements will be distributed to each Investor in the Funds within 120 days of the end of each Fund's fiscal year.

We maintain Fund assets at prime brokers, or a custodial bank, all of whom are qualified custodians, as that term is defined in Rule 206(4)-2 under the Advisers Act.

## **Item 16: Investment Discretion**

We have full discretionary authority to manage securities accounts on behalf of our Clients pursuant to our investment management agreements with our Clients, or the relevant organizational documents of the Clients. These agreements generally include a power of attorney given by the Investors to the General Partners or Managing Members and to Boulder Hill. We exercise our investment discretion in a manner consistent with the stated investment management objectives for any Fund without obtaining specific consent from the Funds or their Investors. Thus, we have exclusive authority to determine the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

## **Item 17: Voting Client Securities**

It is our policy to vote proxy proposals, consents or resolutions relating to securities (collectively, “proxies”) in a manner that serves the best interests of our Clients, determined in our discretion, taking into account relevant factors, including, but not limited to the impact on the value of the securities, the anticipated costs and benefits associated with the proposal, the effect on liquidity, customary industry and business practices, and the potential for conflicts of interest.

Boulder Hill has retained Broadridge Investor Communication Solutions, Inc. (“Broadridge”) as an expert in the proxy voting and corporate governance areas to assist in the due diligence process related to making appropriate proxy voting decisions related to all accounts. Absent exceptional circumstances, Boulder Hill follows Broadridge proxy voting guidelines. In addition, Boulder Hill utilizes Broadridge to facilitate the voting process and to provide recordkeeping with respect to how we voted client proxies.

Our complete proxy voting policy, proxy voting record and procedures are available for review by Investors. Investors may obtain a copy of our proxy voting policy or proxy voting history by contacting Boulder Hill’s Chief Compliance Officer at (212) 466-6927.

From time to time, notices may be received regarding class action lawsuits involving securities that are, or were held by, the Funds. Boulder Hill has retained Broadridge to review any such suits and, if appropriate, participate in them on behalf of Boulder Hill and the Funds. If Broadridge does participate in a class action lawsuit and ultimately receives proceeds, the proceeds typically will be credited to the Funds for the benefit of the current investors.

## **Item 18: Financial Information**

We do not require or solicit prepayment of fees six months or more in advance. As of the date of this brochure, we are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to the Funds. We have not been the subject of a bankruptcy proceeding.