

**Item 1: Cover Page**

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

November 11, 2019

**Cannon Global Investment Management LLC**

SEC No. 801-116953

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This brochure provides information about the qualifications and business practices of Cannon Global Investment Management, LLC. If you have any questions about the contents of this brochure, please contact Ben Flora at 754-264-8642 or via email to [ben@cannonfund.com](mailto:ben@cannonfund.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any State securities authority. Registration with the SEC or State Regulatory Authority does not imply a certain level of skill or expertise.

Additional information about Cannon Global Investment Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Effective November 11, 2019, the firm moved its office from 200 E Las Olas Blvd., Suite 1600, Fort Lauderdale, FL 33301, to 915 Middle River Drive, Suite 521, Ft. Lauderdale, FL 33304.

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## **Item 4: Advisory Business**

### **A. Cannon Global Investment Management, LLC**

Cannon Global Investment Management, LLC ("CGIM," "Cannon," and/or "Adviser"), a limited liability company formed under the laws of the State of Delaware, is a private fund adviser that structures, manages, promotes, sponsors, and through itself and affiliate entities serves as investment manager and/or sub-adviser for various hedge funds (the "Funds"). CGIM was formed in January 2017 and is owned by Thomas Morphet, its sole member.

While CGIM is registered as an investment adviser, its affiliates serving as Fund managing members, investment managers, or sub-advisers and all of their personnel, are supervised by CGIM as if each such entity were so registered. Therefore, throughout this Brochure, when we refer to "CGIM," "Cannon," or the "Adviser," we also refer to those affiliated entities and personnel, unless the context indicates otherwise.

### **B. Advisory Services Offered**

CGIM is an independent investment advisory firm that structures, manages, promotes, sponsors, and through itself and affiliate entities, serves as managing member, investment manager, or sub-adviser for various hedge funds.

CGIM recommends securities transactions that include securities and strategies as itemized in Item 8 of this Brochure, and as may be described in the Funds' offering documents.

### **C. Client-Tailored Services and Client-Imposed Restrictions**

CGIM does not manage individual client portfolios and instead only manages the Funds. Each Fund has its own investment strategy that CGIM either manages or sub-manages.

### **D. Client Assets Under Management**

As of June 12, 2019, CGIM manages \$41,065,408 in managed hedge fund assets.

## **Item 5: Fees and Compensation**

### **A. Methods of Compensation and Fee Schedule**

CGIM is paid performance fees which is separately negotiated and memorialized in the management agreement with the Fund and the applicable Fund's offering documents. CGIM does not manage individual client portfolios. The management fees are typically based on contributions made to a Fund, and the manner in which they are paid will depend on the structure of a particular Fund. Performance-based fees paid by Funds usually are 30% of distributions made by a Fund after certain return thresholds are met.

### **B. Client Expenses**

The Funds are each responsible for their own fees and expenses, such as audit expenses, tax accounting and preparation, K-1 reporting, securities brokerage, legal fees, and other Fund operating expenses or as agreed in an investment management agreement. Ongoing operating expenses are deducted from the partner's/member's capital account balance as disclosed in the applicable Fund offering documents. To the extent redemptions are allowed, such redemptions must satisfy the conditions in the confidential offering memoranda and related subscription documents.

The Chief Compliance Officer ("CCO") will periodically review the method by which the firm allocates expenses among Funds (or if applicable, among investor classes of Funds) to ensure such allocation is consistent with each Fund's governing documents and offering documents. During such reviews, the CCO will also confirm whether any expense cap imposed on a Fund is adhered to. In such reviews, the CCO may utilize expense-related documentation provided by the Fund's administrator.

### **C. Additional Client Fees Charged**

CGIM receives performance-based fees.

### **D. External Compensation for the Sale of Securities to Clients**

CGIM or its affiliate entities are generally paid performance-based fees as disclosed in the applicable Fund offering documents. Such performance-based fees create an economic incentive for the investment manager to take additional risks in the management of a Fund portfolio that may be in conflict with the Fund's current investment objectives and tolerance for risk. Please refer to Item 6 below for more information on performance-based fees.

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

CGIM receives performance fees as described in the offering documents and authorized in the governing documents. The management fees are typically based on contributions made to a Fund, and the manner in which they are paid will depend on the structure of a particular Fund. The General Partner calculates and receives, at the end of each Performance Period (as defined herein), an amount equal to thirty percent (30%) of Net New Profits (as defined in the fund's offering documents).

Performance fees can create an incentive for CGIM to incur acquisition and strategy risks to earn higher fees or prefer one type of investment over another in an effort to achieve the performance fee. Higher risks mean a higher probability of loss, which may conflict with an investor's risk tolerance and investment objectives. CGIM addresses these conflicts by exercising its duties to each Fund to select the Fund's investments in accord with their respective investment objectives and in a manner that is fair and equitable to all Funds.

With respect to clients formed after August 31, 2012, or investors entering into a Fund client after that date, CGIM may not charge a client a performance fee unless allowed under the Act, as follows:

- Rule 205-3 permits CGIM to charge to performance fees to "Qualified Clients," who are:
  - a natural person or entity that immediately after entering the Fund (or an advisory contract directly with us) has at least \$1,000,000 under management with CGIM;
  - a natural person or entity that CGIM reasonably believes, immediately prior to entering into the Fund (or an advisory contract directly with CGIM) either has a net worth (or joint net worth with his or her spouse, if a natural person) of more than \$2,100,000, or is a Qualified Purchaser; or
  - a natural person who is a Supervised Person (other than a clerical, secretarial or administrative employee) who, in connection with his or her regular duties, participates in the investment function of the firm and has been performing such duties for the firm or substantially similar duties for another company for at least 12 months.

If the client is a company not registered under the 1940 Act because of the exception in §3(c)(1), each equity owner of the company must be a "Qualified Client." For Fund clients not using 1940 Act §3(c)(1), the Private Fund itself (not its Investors) must be a "Qualified Client."

## Item 7: Types of Clients

CGIM's only clients are the Funds.



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

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

The Cannon Global Funds' investment objective is to generate capital appreciation by employing a set of proprietary trading strategies that take advantage of short-term market inefficiencies within the equity market. The objective is carried out by CGIM.

CGIM uses a variety of sources of data to conduct its economic, investment and market analysis, which may include economic and market research materials prepared by others, conference calls hosted by individual companies or mutual funds, corporate rating services, annual reports, prospectuses, and company press releases, and financial newspapers and magazines. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

CGIM and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, technical analysis, and statistical and/or computer models utilizing long-term economic criteria.

- Optimization involves the use of mathematical algorithms to determine the appropriate mix of assets given the firm's current capital market rate assessment and a particular client's risk tolerance.
- Quantitative methods include analysis of historical data such as price and volume statistics, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, earnings data, price to earnings ratios, and related data.
- Technical analysis involves charting price and volume data as reported by the exchange where the security is traded to look for price trends.
- Computer models may be used to derive the future value of a security based on assumptions of various data categories such as earnings, cash flow, profit margins, sales, and a variety of other company specific metrics.

In addition, CGIM reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. CGIM may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

### **B. Risks**

The trading strategy engages in short-term trading. Short-term trading may generate substantial commissions, even if the per-trade cost is low. Short-term trading involves aggressive trading, and generally an account will pay commissions on each trade. The total daily

commissions that an account may pay on trades will add to any losses or significantly reduce any earnings.

Commodity interest prices are highly volatile. Price movements for commodity interests are influenced by, among other things, changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments; U.S. and foreign political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and revaluations; and emotions of the marketplace. None of these factors can be controlled by CGIM.

CGIM may use leverage in its investment strategies. Leverage may take the form of loans for borrowed money (e.g., margin loans) or derivative securities and instruments that are inherently leveraged, including options, futures, forward contracts, swaps, and repurchase agreements. The use of leverage by CGIM can substantially increase the market exposure (and market risk) to which the investments may be subject. Trading on leverage will result in interest charges or costs, which may be explicit (in the case of loans) or implicit (in the case of many derivative instruments) and, depending on the amount of leverage, such charges or costs could be substantial. Consequently, even a slight movement in the prices of its open positions could result in significant losses.

CGIM may lend securities to securities brokers and other institutions as a means of earning additional income, or borrow securities from securities brokers or other institutions to cover short positions. If a borrower becomes insolvent or bankrupt, the Fund, as a lending party, could experience delays and costs in recovering payment or its securities. To the extent that, in the meantime, the value of securities lent declines, the Fund could experience further losses.

Due to a variety of circumstances, securities and derivatives cannot always be liquidated at the desired price. This can occur when the market is "thinly traded" (i.e., a relatively small volume of buy and sell orders). Securities exchanges typically have the right to suspend or limit trading in all securities that they list. Some futures contracts are also subject to daily price fluctuation limits (these limits are exchange-imposed restrictions on the maximum price fluctuation that may occur in the futures contract on any one trading day). In these instances, a Fund may be unable to liquidate certain unprofitable positions for some time, thereby increasing the loss from the trade.

CGIM may utilize options in furtherance of its investment strategies. Options positions may include both long positions, where a Fund is the holder of put or call options, as well as short positions, where a Fund is the seller (writer) of an option. Although option techniques can increase investment return, they can also involve a relatively higher level of risk. The expiration of unexercised long options effectively results in loss of the entire cost or premium paid for the option.

- *Covered Call Writing* is the sale of in-, at-, or out-of-the-money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs, and

significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

- *Long Call Option Purchases* allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.
- *Long Put Option Purchases* allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.
- *Short Call Option Strategy* is highly speculative and has theoretical potential for unlimited loss. The seller (writer) of the call option receives proceeds (premium) from the sale of the option. The expectation is that the value of the underlying security will remain below the contract strike price and the option will expire worthless, allowing the option writer to keep the entire amount of the sale proceeds (premium). Should the value of the underlying security increase above the contract strike price, then the option writer can either purchase the call option at a loss, or through a process of exercise and assignment be forced to sell the stock at the contract strike price. If this happens, the option writer will have to go in the open market and buy an equivalent amount of stock to cover the sale at prices that can be materially higher than the amount received from the sale.
- *Short Put Option Strategy* is highly speculative and has theoretical potential for significant loss. The seller (writer) of the put option receives proceeds (premium) from the sale of the option. The expectation is that the value of the underlying security will remain above the contract strike price and the option will expire worthless, allowing the option writer to keep the entire amount of the sale proceeds (premium). Should the value of the underlying security decrease below the contract strike price, the option writer can either purchase the put option at a loss, or through a process of exercise and assignment be forced to buy the stock at the contract strike price. If this happens, the option writer will be purchasing the underlying security at a price potentially well above its then-current market value, exposing the investor to potential loss.

CGIM sells securities short. Selling securities short risks losing an amount greater than the proceeds received. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate before the short position is closed. A Fund may be subject to losses if a security lender demands return of the borrowed securities and an alternative lending source cannot be found.

CGIM may place trades for a Fund via electronic order platforms made available through the clearing broker(s). In such instances, trading through an electronic trading or order routing system subjects a fund to risks associated with system or component failure. The risk exists that a trade may not be placed, a trade may be placed at a later time than originally desired, or a trade may not be able to be cancelled. These occurrences, which are beyond CGIM's control, could result in losses to a Fund's account.

Money managers such as CGIM are limited in the amount of assets they can successfully manage, not only by the difficulty of executing substantially larger trades but also by the restrictive effects of possible market liquidity. Most money managers do not agree to limit the amount of additional equity that they may manage. There can be no assurance that any one strategy employed by a money manager will not be adversely affected by additional equity it manages.

### **C. Conflicts of Interest**

The General Partner, Investment Manager, and their principal, Mr. Morphet, shall devote such time to the Partnership's affairs as Mr. Morphet deems necessary to effectively manage the business and affairs of the Partnership. The General Partner, Investment Manager, and Mr. Morphet may engage in other business activities and shall not be required to refrain from any other activity or disgorge any profits from any such activity, whether as General Partner/Managing Member of additional investment funds or otherwise.

The performance allocation may create an incentive for CGIM to make trades that are riskier or more speculative than would be the case if CGIM was compensated solely with an asset-based management fee. Please refer to Item 6 of this brochure.

CGIM may pay broker-dealer commissions for agency transactions that are in excess of the amount of commissions charged by other broker-dealers in recognition of their research and execution services. This interest conflicts with CGIM's interest of obtaining the lowest commission rate available.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

CGIM has nothing to disclose for this item.

### **B. Administrative Enforcement Proceedings**

CGIM has nothing to disclose for this item.

### **C. Self-Regulatory Organization Enforcement Proceedings**

CGIM has nothing to disclose for this item.

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

### **A. Broker-Dealer or Representative Registration**

CGIM is not registered as broker-dealer and does not have an application to register pending.

### **B. Futures or Commodity Registration**

CGIM is not registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser and does not have an application to register pending.

### **C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

CGIM's affiliates include Cannon Global Fund, LP and Cannon Global Manager, LLC (General Partner of Cannon Global Fund, LP).

### **D. Recommendation or Selection of Other Investment Advisers and Conflicts of Interest**

The firm does not recommend third-party investment advisers.

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

### **A. Code of Ethics**

CGIM has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of the firm's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the Chief Compliance Officer of the firm. CGIM will send clients a copy of its Code of Ethics upon written request.

CGIM has policies and procedures in place to ensure that the interests of its clients are given preference over those of the firm, its affiliates, and its employees. For example, there are policies in place to prevent the misappropriation of material nonpublic information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

### **B. Investment Recommendations Involving a Material Financial Interest**

CGIM, either individually or through affiliate entities, may sell or purchase assets from one affiliate Fund to another affiliate Fund which may pose a conflict of interest. Although CGIM strives to put the interests of its Fund clients first, such inter-Fund transactions could be viewed as being in the best interest of one Fund versus another Fund. Inter-Fund transactions may occur for a variety of reasons such as lack of liquidity, the closing of a Fund, tax and related issues. CGIM and its affiliates will ensure among other things, that inter-Fund transactions are properly disclosed to the parties of the transaction.

A Fund may, from time to time, have the opportunity to retain third parties who have prior business relationships with another Fund to act as a consultant or in some other capacity. If a Fund retains any such parties, the Funds may experience a conflict between one Fund's interests and its interest in preserving any ongoing business relationship with that party. This conflict may result in a Fund paying more for these services than would otherwise be the case.

It is possible that certain of the Funds' properties may be acquired from affiliates of an investment partnership. In order to mitigate any potential conflict of interest, a Fund's General Partner will negotiate and approve any such acquisition on behalf of such investment partnership procuring all appropriate third-party verifications of value.

As a result of the foregoing, the members and/or partners and principals and affiliates of the CGIM affiliates may have conflicts of interest in allocating their time and activity between the Funds and other clients, in allocating investments among Funds and other clients, and in effecting transactions for the Funds and other clients, including ones in which a Fund may have a greater financial interest.

### **C. Purchase of Same Securities Recommended to Clients**

CGIM, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it are not prohibited from purchasing or having any direct or indirect interest in the same assets as are purchased for the Funds, provided such purchase or interest is in accordance with the CGIM's Code of Ethics policies and procedures. The personal asset or securities transactions by advisory representatives and employees may raise potential conflicts of interest when they acquire an interest in a property that is:

- owned by the Funds, or
- considered for purchase or sale for the Funds.

CGIM has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest,
- require our advisory representatives to disclose any direct or indirect interest in a property considered for purchase in one or more affiliate Funds.
- require our advisory representatives and employees to follow CGIM's procedures.

### **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

CGIM, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other of the firm's clients. CGIM will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee, or employee-related accounts. It is the policy of CGIM to place the clients' interests above those of the firm and its employees.

The General Partner, CGIM, the Partnerships, operators, and their principals and affiliates (collectively, the "Related Parties") may serve as advisers or managers to other accounts and conduct investment activities for their own accounts. Such other entities, clients, or accounts may have investment objectives or may implement investment strategies similar to those of the Partnerships. The Related Parties may also have investments in certain of the entities managed by any of the Related Parties. In addition, certain of the Related Parties receive certain fees described herein regardless of the success of the Partnerships and their investments.

As a result of the foregoing, the members and/or partners and principals and affiliates of the Related Parties may have conflicts of interest in allocating their time and activity between the Partnerships and other clients, in allocating investments among Partnerships and other clients, and in effecting transactions for Partnerships and other clients, including ones in which the Related Party may have a greater financial interest. In addition, there is no assurance that the General Partner will devote adequate time to the Partnerships' operations or that any Related Party will devote adequate time to the Related Party with respect to which it performs services or management. If a Related Party suffers or is distracted by adverse financial or operational developments in connection with its operations unrelated to the Related Party to which it is performing



management or other services, it may allocate less time and/or resources to such Related Party's operations. If any of these things occur, the value of your investment may suffer.

The Partnerships or a Related Party may, from time to time, have the opportunity to retain third parties who have prior business relationships with a Related Party to act for the Partnerships or Related Party as consultants or in some other capacity. If the Partnerships or Related Party retains any such parties, the Related Parties may experience a conflict between the Related Party's interests and its interest in preserving any ongoing business relationship with that party. This conflict may result in our paying more for these services than would otherwise be the case.

It is possible that certain of the Underlying Properties may be acquired from affiliates of a Partnership. In order to mitigate any potential conflict of interest, the General Partner will negotiate and approve any such acquisition on behalf of such Partnership (and any corresponding SPE) procuring all appropriate third-party verifications of value.

## **E. Conflicts of Interest**

The General Partner, Investment Manager, and their principal, Mr. Morphet, shall devote such time to the Partnership's affairs as Mr. Morphet deems necessary to effectively manage the business and affairs of the Partnership. The General Partner, Investment Manager, and Mr. Morphet may engage in other business activities and shall not be required to refrain from any other activity or disgorge any profits from any such activity, whether as general partner/managing member of additional investment funds or otherwise.

The Performance Allocation paid by Limited Partners of the Partnership to the General Partner is based on a percentage of the Net New Profits in a Limited Partner's Book Capital Account. This arrangement may create an incentive for the General Partner to make trades that are riskier or more speculative than would be the case if the General Partner was compensated solely with an asset-based management fee.

The General Partner may have a conflict of interest in selecting banks, brokers, lawyers and other such parties because of continuing business dealings with such parties.

The Fund may pay broker-dealer commissions for agency transactions that are in excess of the amount of commissions charged by other broker-dealers in recognition of their research and execution services. This interest conflicts with a Fund's interest of obtaining the lowest commission rate available.

## Item 12: Brokerage Practices

### A. Factors Used to Select Custodians for Fund Transactions

#### A.1. Brokerage and Transactional Practices

CGIM has discretion in deciding what brokers and dealers a Fund uses and in negotiating rates of brokerage compensation. In addition to using brokers as “agents” and paying commissions, the Partnership may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns.

As of the date hereof, CGIM anticipates that a substantial portion of the Partnership’s brokerage business will be directed to a Fund’s clearing brokers (each, a “Clearing Broker”). Each Clearing Broker acts as a primary executing broker to the Partnership and will clear Partnership transactions. Accordingly, Clearing Brokers may receive substantial brokerage commissions related to the securities, futures, and options transactions of a Fund. A Fund is not committed to continue its brokerage relationship with any single Clearing Broker for any minimum period and may enter into clearing brokerage relationships with other brokers at any time.

Each Clearing Broker is a service provider to a Fund and is not responsible for the preparation of this brochure or any of the Fund’s governing documents.

#### A.2. General Selection Criteria

In choosing broker-dealers, CGIM is not required to consider any particular criteria. For the most part, CGIM seeks the best combination of quality execution and brokerage expenses, but CGIM is not required to select the broker-dealer that charges the lowest transaction cost, even if that broker otherwise provides execution quality comparable to other broker-dealers. In evaluating “execution quality,” historical net prices (after markups, markdowns, or other transaction-related compensation) on other transactions are a principal factor, but other factors are also relevant, including the execution, clearance, and settlement and error correction capabilities of the broker-dealer generally and in connection with securities of the type and in the amounts to be bought or sold, the broker-dealer’s willingness to commit capital, its reliability and financing stability, the size of the transaction, the availability of securities to borrow for short sales, and the market for the security. A Fund has no obligation to deal with any broker-dealer in executing transactions for the Fund’s portfolio of securities.

### B. Aggregating Securities Transactions for Client Accounts

#### B.1. Security Allocation

Since CGIM may be managing Funds with similar investment objectives, the firm may aggregate transactions for assets for such Funds. In such event, allocation of the assets so purchased or sold, as well as expenses incurred in the transaction, is made by CGIM in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such Funds.

CGIM's allocation procedures seek to allocate investment opportunities among Funds in the fairest possible way, taking into account the Funds' best interests, available cash, conditions, and other operating criteria as disclosed in the applicable Fund offering documents and Partnership Agreement. CGIM will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any Fund or group of Funds. Fund performance is never a factor in trade allocations.

CGIM's advice to certain Funds and entities and the action of CGIM for those and other Funds are frequently premised not only on the merits of a particular investment but also on the applicable investment objective, guidelines, and conditions of the applicable Fund. Thus, any action of CGIM with respect to a particular investment may, for a particular Fund, differ or be opposed to the recommendation, advice, or actions of CGIM to or on behalf of other Funds.

### **B.2. Order Aggregation**

Transactions for the same asset effected on behalf of more than one Fund may be aggregated.

### **B.3. Soft Dollar Arrangements**

CGIM does not utilize soft dollar arrangements.

### **B.4. Brokerage for Client Referrals**

CGIM does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

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

### **A. Fund Reviews**

The management and monitoring of the Funds is done by Thomas Morphet and CGIM's staff. Mr. Morphet and his staff are also responsible for ensuring that any significant change in a Fund's investment strategy or in the concentration of a Fund's assets is appropriate for the respective Fund.

### **B. Review of Client Accounts on Non-Periodic Basis**

CGIM may perform ad hoc reviews on an as-needed basis if there have been material changes in the Fund's investment objectives or a material change in how CGIM formulates investment advice.

### **C. Content of Client-Provided Reports and Frequency**

CGIM provides annual reports of the Funds to their respective investors. Performance reports are provided to investors monthly.

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

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

CGIM does not receive economic benefits for referring clients to third-party service providers.

### **B. Advisory Firm Payments for Client Referrals**

CGIM does not pay for client referrals.

## Item 15: Custody

CGIM is considered to have custody of client assets for purposes of Advisers Act for the following reasons:

- The firm or its affiliate is a managing member or general partner to a private fund vehicle. An independent public accountant annually audits a pooled investment vehicle(s) the firm manages and the audited financial statements are distributed to the investors in the pooled vehicle within 120 days from the end of the private fund's fiscal year end or 180 days in the event of a feeder/master fund structure.

## **Item 16: Investment Discretion**

CGIM, either individually or through its affiliates, acts as a general partner for various private Funds. As such, it has full discretionary authority to act on behalf of the Funds in all aspects. Such activity includes, but is not limited to, acquisition and disposition of Funds' assets, control of Funds' bank accounts, the selection of third-party vendors (some of whom may be affiliates and receive compensation from the applicable Fund), selection of advisers, authorizing terms of contractual agreements, and any and all matters related to the operation, financing, and management of the Funds.

As a sub-adviser, CGIM's authority is described in the applicable Fund's governing documents.

## Item 17: Voting Client Securities

CGIM does not take discretion with respect to voting proxies on behalf of its clients. CGIM will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of CGIM supervised and/or managed assets. In no event will CGIM take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, CGIM will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. CGIM has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. CGIM also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, CGIM has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where CGIM receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.



## **Item 18: Financial Information**

### **A. Balance Sheet**

CGIM does not require the prepayment of fees of \$1,200 or more, six months or more in advance, and as such is not required to file a balance sheet.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

CGIM does not have any financial issues that would impair its ability to provide services to clients.

### **C. Bankruptcy Petitions During the Past Ten Years**

There are no bankruptcy petitions to report.