

PART 2A OF FORM ADV

VALENS INVESTMENT ADVISERS, L.P.

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This brochure provides information about the qualifications and business practices of Valens Investment Advisers, L.P. (“Valens”). If you have any questions about the contents of this brochure, please contact us at (212) 541-5800 and/or by email at Lara@valensfunds.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT VALENS OR ANY PRINCIPALS OR EMPLOYEES OF VALENS POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Material Changes

There have been no material changes to this brochure since the last update to Valens's Form ADV Part 2 in March 2014.

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SUPPLEMENT – BIOGRAPHIES OF KEY PERSONNEL

Advisory Business

Valens is a limited partnership organized under the law of Delaware on May 9, 2007. The founders and principal owners of Valens are Eugene Grin and David Grin. Eugene Grin is the majority owner and Principal of Valens and David Grin is a minority owner. Valens commenced operations on June 1, 2007.

Valens Investment Advisers, L.P. (“Valens”) provides investment advice to clients on behalf of itself and Valens Capital Management, LLC (“VCM”), a wholly-owned subsidiary of Valens that is the investment manager of Valens U.S. Fund, LLC (the “Domestic Fund”), and Valens Offshore Fund (the “Offshore Fund”, and together with the Domestic Fund, the “Funds”), Valens U.S. SPV I, LLC (and, together with any other U.S. special purpose or special situation vehicles, the “Domestic SPVs”), Valens Offshore SPV I, Ltd. and Valens Offshore SPV II, Corp. (Valens Offshore SPV I, Ltd. and Valens Offshore SPV II, Corp., together with any other offshore special purpose or special situation vehicles, are referred to herein as the “Offshore SPVs” and, together with the Domestic SPVs, the “SPVs”). The Funds together with the SPVs are referred to herein as the “Valens Funds.”

On December 8, 2008, the Valens Funds suspended redemptions. On December 23, 2009, investors in the Valens Funds were advised that the assets of the Valens Funds would be liquidated. Accordingly, the Valens Funds are closed to new investments and are being liquidated. The Valens Funds generally do not intend to make any new investments at this time, other than follow-on investments to existing positions.

The investment objective of the Valens Funds is to seek to achieve capital appreciation primarily through a strategy that invests in convertible and non-convertible equity and debt securities and warrants offered in private placements pursuant to Regulation D, other restricted equity and debt securities, loans, participations in loans, and other private investments in public and private equities issued by U.S. or foreign domiciled entities. The Valens Funds may invest certain of their assets in the SPVs or in other wholly-owned subsidiaries. Investors in the Valens Funds do not pay additional fees with respect to assets held by or invested through the SPVs.

Valens is generally granted broad investment authority with respect to the management of the accounts of its clients. Valens tailors its advisory services to the specific investment objectives and restrictions of each Valens Fund. Valens or its wholly owned subsidiaries may agree in the investment management agreement with each client to investment restrictions or guidelines with respect to the types or amounts of securities or other financial instruments that may be purchased or sold for the client’s account. Valens may pursue different investment strategies for different clients.

Investors and prospective investors in each Valens Fund should refer to the confidential private placement memorandum, limited partnership agreement and other governing documents for each Valens Fund (the “Governing Documents”) for more complete

information on the investment objectives and investment restrictions with respect to a particular Valens Fund.

Valens does not participate in any wrap fee programs.

Valens manages all assets on a discretionary basis. As of December 31, 2014, the amount of assets Valens managed on a discretionary basis was approximately \$196 million. Valens may in the future provide advisory services, either on a discretionary or non-discretionary basis, to other managed accounts on behalf of clients.

Fees and Compensation

Compensation and Fee Schedules

All investors should review the Governing Documents for each Valens Fund in conjunction with this brochure for more complete information on the fees and compensation payable with respect to a particular Valens Fund.

Valens or an affiliate of Valens ordinarily receives an annual management fee equal to a percentage (generally 1.5% to 2%) of the balance of each Valens Fund investor's capital account. The management fee is generally payable monthly in advance. In addition, Valens or an affiliate of Valens ordinarily receives an annual performance allocation payable after the end of each year equal to a percentage of net realized profits with respect to such year (generally 20% to 30%), subject to a loss carryforward or high water mark provision.

Any performance-based fees or allocations will only be charged to qualified clients as defined under Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act").

The management fee with respect to the certain side-pocketed assets of the Valens Funds (the "Side-Pocket") has been waived by VCM commencing as of January 1, 2009, until such time as the Valens Funds realize net proceeds from the Side-Pocket equal to at least the net asset value of the Side-Pocket as of December 31, 2008 (the "2008 Net Asset Value"). Upon realization of the 2008 Net Asset Value, VCM will receive the management fee originally due with respect to the Side Pocket, calculated from January 1, 2009 and payable out of the proceeds of the Side Pocket, but only to the extent that such proceeds exceed the 2008 Net Asset Value.

Valens and its affiliates provide investment advisory services to certain subsidiaries of the Valens Funds. Investors in the Valens Funds do not pay additional fees with respect to assets held by or invested through such subsidiaries.

Other than as stated above, all fees are generally non-refundable (that is, once the management fee is paid and the performance allocation is allocated, such amounts will

not be refunded to investors). In addition, in certain circumstances, fees may be negotiable.

In certain circumstances, the advisory fees payable to Valens or its affiliates by individual clients or investors in each Valens Fund may be negotiable. Investors and prospective investors in each Valens Fund should refer to the Governing Documents of the applicable Valens Fund for more complete information on the advisory fees charged by Valens.

Deduction of Fees

Valens is authorized under the Governing Documents of each Valens Fund to charge and deduct advisory fees directly from the assets of the Valens Funds, at the times and in the amounts described above.

Other Fees and Expenses

In evaluating and entering into transactions on behalf of its clients, Valens bears certain expenses including, but not limited to certain overhead expenses of its clients, as well as investment research expenses; and costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged by Valens in connection with specific investments (including transactions that fail to close). The clients of Valens are responsible for all costs and expenses incurred after closing of transactions including but not limited to investment research expenses; costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged by Valens in connection with specific investments, clearing fees; interest and other costs in connection with margin accounts or other borrowings; borrowing charges on securities sold short; custodial fees; bank service fees; and any legal fees and costs arising in connection with any litigation or regulatory investigation instituted against Valens or any client. The clients of Valens also pay all of their operating costs, including administrative, legal, accounting, auditing and insurance costs and expenses, as described in greater detail in the Governing Documents for each Feeder Fund.

Client of Valens will incur brokerage expenses as described below under “Brokerage Practices”.

Timing of Payments

Please see “Fees and Compensation” above.

Transaction-Based Compensation

An affiliate of Valens may receive a structuring fee for arranging and monitoring an investment by a client of Valens. An affiliate of Valens may also receive from time to time a payment from the companies in which the clients may invest in. However, these fees are no longer relevant to the Valens Funds as they are no longer making new investments (except for certain follow-on investments to existing positions).

Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

Valens, or an affiliate of Valens, ordinarily receives a performance-based fee or a special allocation of profits from each of its clients (including the Valens Funds) as described above under “Fees and Compensation.” Please refer to the Governing Documents of each Valens Fund for more complete information on the performance-based compensation arrangements of each Valens Fund. Different client accounts may be subject to different performance-based compensation arrangements. The performance-based compensation arrangements discussed above comply with Rule 205-3 under the Advisers Act.

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

Side-by-Side Management

If Valens is entitled to receive a higher percentage of the net profits of the account of one client than the percentage that Valens receives from another client, then Valens may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the client that is subject to the higher percentage.

Valens will, as a policy, allocate all investment opportunities among its clients in a manner that it considers fair and equitable to all clients, considering all factors potentially applicable to each client. Among the factors that may be considered by Valens in allocating trades among client accounts are: investment policies, guidelines or restrictions applicable to each specific client; tax considerations; cash availability; liquidity requirements for payment of redemptions or other purposes; risk tolerances; restrictions under ERISA or other applicable laws or regulations; available credit lines; counterparty arrangements; account size; benchmark sector weightings; industry and security weightings; and hedging objectives and activity.

Types of Clients

Types of Clients

Valens provides advice to the Valens Funds. The investors in the Valens Funds may include corporations, partnerships, endowments, foundations, trusts, estates, individuals and pension and profit sharing plans.

Minimum Investment Requirements

Valens and its related persons require that each limited partner or shareholder in each of the Valens Funds be an “accredited investor” as defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and a “qualified purchaser” as

defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”).

The Valens Funds are closed to new investments.

Methods of Analysis, Investment Strategies and Risk of Loss

The Valens Funds are in the process of being liquidated and are not making new investments (except certain follow-on investments to existing positions).

Methods of Analysis

The Valens Funds invest primarily in convertible and non-convertible equity and debt securities, loans, participations in loans, warrants and other securities, including private investments in public and private equities issued by U.S. or foreign domiciled entities.

The Valens Funds invest certain of their assets in special purpose vehicles or other wholly-owned subsidiaries in order to achieve their objectives.

The Valens Funds may also invest in options, warrants, commodities, commodity contracts, commodity futures, financial futures (including index futures), royalty interests, options in respect of any of the above, and other derivative securities and related transactions, in each case, for investment purposes and in order to hedge against volatility.

Valens’s principal sources of information include due diligence performed by both Valens and its affiliates and at times, third-party consultants. Research of potential investment varies with each investment and may include collateral analyses and field audits, and background checks of selected executive officers.

Material Risks

Investments in private and restricted securities and loans as described above involve a substantial degree of risk. Valens generally accepts only clients that are able to bear the financial risk of the investment strategy for an indefinite period of time and are able to sustain the loss of all or a significant part of their investment. Additional information about the risks of investing in each Valens Fund can be found in the Governing Documents for the relevant Valens Fund. The risk factors below are not intended to be exhaustive and should be considered carefully together with the full text of the applicable Governing Document or client agreement.

Investment and Trading Risks in General

All investments risk the loss of the amount invested. No guarantee or representation is made that any investment program will be successful, and investment results may vary

substantially over time. The value of a client's portfolio and the income (if any) derived from it can go down as well as up.

Investing in Illiquid Investments

The Valens Funds invest primarily in equity and debt securities, loans and loan participations purchased in private placements directly from companies whose securities may or may not be publicly traded. As a result, many investments held by the Valens funds may be or become illiquid, including "restricted" or non-publicly traded securities and thinly traded securities. It may not be easy to dispose of such non-publicly or thinly traded securities, and in some cases, there may be legal or contractual restrictions preventing the disposal of securities for a specified period of time. An exchange or regulatory authority may suspend trading in a particular security or contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. Such investments may require a significant amount of time from the date of initial investment before disposition.

In contrast to the markets for broadly syndicated leveraged loans and high-yield bonds, securities and loans originated or acquired by the Valens Funds generally are not syndicated by tier-one lenders or actively traded in the secondary market. Valens often expects to retain debt securities, loans and participations in loans originated or acquired by the Valens Funds until maturity, which may be a period of several years, except to the extent that it sells loans, participations in loans and other investments to other funds and accounts managed by Valens and its affiliates or to unrelated third parties. The retention of such investments in whole or in part until maturity may subject the Valens Funds to greater credit risk than would otherwise be the case. There can be no assurance that the Valens Funds will be able to sell investments to the extent desired, in which case the portfolio of the Valens Funds may be subject to overconcentration in certain borrowers and industries and subject to greater credit risk. In addition, the "special situation" asset classes in which the Valens Funds may invest may be thinly traded or may cease to be traded after an investment is made. In the absence of a significant market for the loans and other assets held directly or indirectly by the Valens Funds, such assets may not be able to be traded in order to respond to changes in market conditions.

Micro and Small Capitalization Securities

The Valens Funds ordinarily invest in companies with small and mid-cap market capitalizations. Such investments involve greater risk than investing in larger companies. The stock prices of small and mid-cap companies can rise very quickly and drop dramatically in a short period of time. This volatility may result from a number of factors, including reliance by these companies on limited product lines, markets and financial and management resources. These and other factors may make small and mid-cap companies more susceptible to setbacks or downturns. These companies may experience higher rates of bankruptcy or other failures than larger companies and they may be more likely to be negatively affected by changes in management. In addition, the stock of small or mid-cap companies may be thinly traded.

Concentration of Investments

The Valens Funds hold relatively few investments. The result of such concentration of investments is that a loss in any one position could materially reduce the value of the overall portfolio.

Disciplinary Information

Valens and its principal has not been the subject of any material legal proceeding required to be disclosed in response to this item.

Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

None of Valens or its management persons is registered as a broker-dealer or a registered representative of a broker-dealer. In addition, Valens and its management persons are not affiliated with any broker-dealer or bank.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

None of Valens or any of its management persons are registered or affiliated with a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Relationships with Related Persons

The only clients of Valens and its wholly-owned subsidiary VCM at present are the Valens Funds. A related person of Valens generally acts as general partner or managing member or investment adviser of each Valens Fund.

Employees of Valens and its affiliates may serve as officers, advisors, directors or in comparable management functions for portfolio companies in which the Valens Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. Employees of Valens may also from time to time serve on the board of directors or a creditors committee of a portfolio company, or be given access for other reasons to confidential information relating to companies in which the Valens Funds invest. As a result, the Valens Funds may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company, which prohibition may have an adverse effect on the Valens Funds.

The Valens Funds may acquire operating control of companies in which they, or one of their affiliates, initially made an investment which did not consist of a controlling interest. In such case, Valens may retain consultants (either directly or on behalf of such

company) for the purpose of assisting in the management of such company or such Valens Fund's interest in such company. Such consultants may be compensated by such Valens Fund or such company based in part on a percentage of the increase in value of such company or such Valens Fund's interest in such company.

Valens was affiliated with another registered investment adviser, Laurus Capital Management, LLC ("LCM"), through March 2014. Eugene Grin is the Principal and controlling person of LCM. LCM deregistered as investment adviser in March 2014.

Valens does not have any employees. The operations and activities of Valens are conducted through a services arrangement with LCM whereby LCM's personnel perform certain functions on behalf of Valens. LCM also provides, among other things, systems to, and shares office space with, Valens.

From time to time VCM may arrange for one or more Valens Fund to purchase or sell portfolio positions in block transactions ("Block Transactions"). Certain of such Block Transactions may be made to or from other client accounts managed by Valens or an affiliate of Valens (each a "Cross Transaction"). With respect to the Valens Funds, Cross Transactions will be effected at no less than the fair value (as reflected on the books and records of the relevant fund) of the securities being transferred, and no brokerage commission or transfer fee will be paid to Valens or any affiliate of Valens in connection with any such transaction.

From time to time, Valens or an affiliate of Valens may originate, acquire or sell loans or other investments of an issuer for affiliates and clients that are senior or junior to securities or financial instruments of the same issuer that are held by, or acquired for, a Valens Fund. Valens recognizes that conflicts may arise under such circumstances and will endeavor to treat each Valens Fund and other affiliates and clients fairly and equitably. With respect to a particular investment opportunity, Valens and its affiliates may structure the acquisition of such investment opportunity in such a way for tax, regulatory or other reasons that causes Valens and other affiliates and clients to purchase different securities (e.g., senior debt, subordinated debt, or equity). In determining the optimal way to structure the acquisition of such investment opportunities, Valens and its affiliates will set the terms of the securities purchased, or sold, by the applicable Valens Fund and other affiliates or clients in a manner it determines to be fair and equitable and taking into account the price and terms that would be obtained in the market for securities issued in similar transactions.

In connection with these investment opportunities, the Valens Funds and the other lenders generally will allocate any payments and proceeds received upon an acceleration of any debt of an obligor or upon the exercise of any rights or remedies with respect to any collateral securing an obligor's debt obligations first, to loans entered into with the obligor on or before May 31, 2007, and then, sequentially, in chronological order, to all other loans entered into with such obligor according to the dates such loans were made. All amounts will be distributed to the respective Valens Fund and to the other lenders entitled to such amounts on a pro rata basis. The Valens Funds and the other lenders

entered into a written intercreditor agreement memorializing the intercreditor arrangements described above. Notwithstanding the foregoing, Valens and its affiliates may modify such intercreditor arrangements or agreements in their sole discretion if they determine such modifications would be fair and equitable.

Valens has adopted policies and procedures to protect the confidentiality and proprietary nature of Valens' funds, investors and investment information.

Selection or Recommendation of Other Advisers

Valens does not recommend or select other investment advisers for its clients or receive compensation from such advisers in a manner that would create a material conflict of interest. Valens does not have other business relationships with other advisers that create a material conflict of interest.

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

Code of Ethics

As noted above, Valens does not have any employees. Its operations and activities are conducted through a services arrangement with LCM whereby LCM's personnel perform certain functions on behalf of Valens and VCM. Personnel of LCM have been made aware that the policies and procedures of LCM (including, without limitation, the Compliance Policies and Procedures Manual and the Code of Ethics) have been adopted by Valens and apply to their responsibilities related to Valens and the Valens Funds.

Valens has adopted the LCM Code of Ethics (the "Code of Ethics") which sets forth ethical standards of business conduct that Valens requires of its affiliates and employees.

The Code of Ethics governs all personal investment transactions by employees or LCM personnel performing services on behalf of Valens or the Valens Funds. The Code of Ethics also contains policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the reporting of violations of the Code of Ethics, and oversight, enforcement and recordkeeping provisions. Valens will provide a copy of the Code of Ethics to any client or prospective client upon request.

Valens requires that all individuals act in accordance with all applicable federal and state regulations governing investment advisory practices. Valens's Code of Ethics also includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline or termination.

Valens will provide a complete copy of its Code of Ethics to any client or prospective clients upon request.

Personal Trading

The Code of Ethics governs all personal investment transactions by employees or LCM personnel performing services on behalf of Valens. Pursuant to the Code of Ethics, such persons may not purchase the securities of any issuer that is on a “restricted list” maintained by Valens, comprised of companies in which Valens is in possession of, or has the right to receive possession of, material, non-public information. In addition, the Code of Ethics requires that such persons obtain prior approval of any acquisition of securities in a limited offering (e.g., a private placement) or an initial public offering.

Brokerage Practices

Subject to the investment objectives, policies and restrictions of each Valens Fund as set forth in the Governing Documents of such Valens Fund, Valens has discretionary authority to determine the type, amount, and price of securities and investments to be bought and sold on behalf of each Valens Fund or other client, including the selection of, and commissions paid to, brokers.

In selecting broker-dealers to effect securities transactions, Valens seeks to obtain best execution by considering factors including, but not limited to, execution quality, price, the level of service offered, reliability, experience in liquidating distributions from private equity funds and such other factors as Valens considers relevant and beneficial to the Valens Funds. Valens may consider referrals of Valens Fund investors in determining its selection of brokers.

Research and Other Soft Dollar Benefits

Valens selects brokers and dealers to execute transactions for client accounts based on the benefits and costs of their services as compared to others in the marketplace. Valens attempts at all times to achieve best execution. Valens may take into account special expertise or capacities of a particular broker as well as research and other services provided to Valens by brokers. Valens considers such factors as price, the ability to effect the transactions, the brokers’ or dealers’ facilities, reliability and financial responsibility, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, efficiency of execution and error resolution, quotation services, the availability of stocks to borrow for short trades, custody, recordkeeping and similar services, and any research or investment management-related services and equipment provided by such brokers or dealers. Valens does not necessarily solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

Valens may cause a higher commission to be paid to a broker or dealer that furnishes research or services than might be charged by another broker or dealer for effecting the same transaction, provided that Valens determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research or investment management-related services and equipment provided by such broker or dealer.

Research services provided to Valens by brokers may include written information and analyses concerning specific securities, companies or sectors (whether produced by the broker or a third party); market, financial and economic studies and forecasts (whether produced by the broker or a third party); statistics and pricing services; discussions with research personnel; data bases; and other news, technical and telecommunications services utilized by Valens in the investment management and execution process, accounting fees and legal fees. Valens does not receive any benefits outside the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended, for the use of commissions or “soft dollars” to obtain “research and execution” services. Research services provided by brokers may be used for the benefit of all clients of Valens. Clients may pay higher commissions than are obtainable from other brokers as a result of the consideration of research services as a factor in selecting brokers in addition to commission cost and best execution.

Valens and its affiliates may have other business arrangements with brokers and dealers used to execute transactions for clients. Brokerage firms and their affiliates and representatives may invest in funds managed by Valens, and may provide financing or other services to Valens or other accounts managed by Valens. Brokerage firms and their employees may offer gifts to employees of Valens, and may invite employees of Valens to entertainment and social events. It is Valens’s policy that factors such as gifts and entertainment that do not benefit client accounts should not be considered when selecting brokers and counterparties to execute transactions for clients.

Brokerage for Client Referrals

Not applicable

Directed Brokerage

Not applicable

Trade Aggregation

Valens and its affiliates trade the securities owned by client accounts that they manage pursuant to trading guidelines. If a security held by more than one client account is eligible for sale pursuant to such trading guidelines, Valens and its affiliates will generally aggregate trades for the Valens Fund with trades for other client accounts, subject to best execution, in order to obtain better prices and lower execution costs. Such orders may be allocated among participating client accounts on a non-pro-rata basis.

Review of Accounts

Review of Client Accounts

Valens will monitor portfolio investments on behalf of each Valens Fund on a regular basis. Each review is conducted by one or more of the following supervised persons:

Supervised Person	Title
Eugene Grin	Principal
Lara Hrafnkelsdottir	Senior Managing Director, Chief Operations Officer / Chief Compliance Officer

Reports to Clients

Each Valens Fund distributes monthly and annually written reports to its investors. Annual reports generally contain the audited financial statements of the Valens Fund. The monthly reports generally contain unaudited performance results for the month.

Investors are requested to refer to the Governing Documents of each Valens Fund for further information on the reports provided by a particular Valens Fund to its investors.

Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

Valens or its related persons may receive structuring, monitoring and/or other transaction fees in connection with investments made by one or more of the Valens Funds. The potential for Valens and its related persons to receive such economic benefits creates a conflict of interest as Valens and its related persons may have an economic incentive to invest in portfolio investments that provide such benefits.

Third Party Compensation for Client Referrals

Valens is no longer accepting new investors as the Valens Funds are in the process of being liquidated.

Custody

Valens will not have physical custody of any client assets. Valens may be deemed to have custody of the assets of certain of the Valens Funds as a result of its authority over the Valens Funds.

It is Valens's policy to cause each Valens Fund with assets over which Valens is deemed to have "custody" to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Valens Fund, Valens will obtain a final audit and distribute

audited financial statements prepared in accordance with GAAP with respect to such Valens Fund to all investors promptly after completion of the audit.

Investment Discretion

Subject to the investment objectives, policies and restrictions of each Valens Fund as set forth in the Governing Documents of such Valens Fund, Valens has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Valens Fund and client account, including the selection of, and commissions paid to, broker-dealers.

Under the Governing Documents of the Valens Funds, Valens and its affiliates are not ordinarily liable for the consequences of their actions in the absence of gross negligence or willful misconduct. Accordingly, Valens and its affiliates may not be liable for the results of trade errors. Valens and its affiliates will ordinarily net gains resulting from trade errors against losses resulting from trade errors monthly on a client-by-client basis. In determining whether any amounts are payable to a client as of the end of any month, if a client account has a net trade error gain balance at the beginning of such month, Valens will reduce amounts payable to such client account due to net losses from trade errors that arose during such month on a dollar-for-dollar basis against such net trade error gain balance. Valens will reimburse the applicable client for any trade error loss balance that exists after taking into account the any net trade error gain balance.

Voting Client Securities

Valens and its affiliates are generally responsible for determining how to vote all proxies with respect to securities held in client accounts. Valens will vote all proxies in the manner that its proxy coordinator determines is in the best interests of each particular client, which may, in certain circumstances, include not voting a proxy or granting an irrevocable proxy to the issuer soliciting the proxies. Clients may obtain a copy of Valens's written proxy voting policies and obtain information regarding how Valens voted securities applicable to a particular client's account upon request.

Financial Information

Not Applicable.