



**Form ADV**

**Part 2A Brochure**

**March 28, 2018**

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This Brochure provides information about the qualifications and business practices of Hoplite Capital Management, L.P. ("Hoplite" or the "Investment Adviser"). If you have any questions about the contents of this Brochure, please contact us at 212-849-6701 or [investors@hoplitecapital.com](mailto:investors@hoplitecapital.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 Hoplite also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC does not imply a certain level of skill or training.

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a confidential offering memorandum and related subscription materials.

**Item 2 – Material Changes**

Hoplite is submitting this annual amendment to its Brochure on March 28, 2018. There have been no material changes since the Investment Adviser submitted its March 30, 2017 Brochure annual update.

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#### Item 4 – Advisory Business

Hoplite was organized in Delaware in February 2003. Hoplite provides discretionary investment advisory services to pooled investment vehicles operating as private investment funds (each a “Fund” or “Client” and, collectively, the “Funds” or “Clients”). Hoplite generally can be categorized as a fundamental, long/short hedge fund manager.

As of December 31, 2017, Hoplite had \$1,503.278 million in Client assets under management,<sup>1</sup> all of which were managed on a discretionary basis. Hoplite’s sole office is located in New York, New York.

Hoplite Capital General Partner, LLC is the general partner of the Investment Adviser. John T. Lykouratzos is the Chief Executive Officer of Hoplite Capital General Partner, LLC and the Chief Investment Officer, Chief Executive Officer and principal owner of the Investment Adviser (the “CIO”).

Hoplite’s current Clients employing a fundamental, long/short equity strategy (each a “LS Fund” and, collectively, the “LS Funds”) are:

- Hoplite Partners, L.P., a Delaware limited partnership (the “LS Onshore Fund”);
- Hoplite Offshore Master Fund, Ltd., a Cayman Islands exempted company (the “LS Offshore Master Fund”); and
- Hoplite Offshore Fund, Ltd., a Cayman Islands exempted company (the “LS Offshore Fund”).

The LS Offshore Fund invests substantially all of its assets in the LS Offshore Master Fund. The LS Offshore Master Fund and the LS Onshore Fund have the same investment program and invest substantially in parallel with each other (*i.e.*, purchases and sales are generally allocated between the two Funds *pro rata*) as “side-by-side funds.” Hoplite Capital, LLC, a Delaware limited liability company (the “LS General Partner”), serves as the general partner of the LS Onshore Fund and receives performance-based compensation (“Incentive Allocation,” as described in further detail below) from the LS Offshore Master Fund. The LS General Partner is an affiliate of Hoplite and is controlled by Mr. Lykouratzos.

Hoplite’s current Clients employing a fundamental, long-only equity strategy (each a “Long Fund” and, collectively, the “Long Funds”) are:

- Hoplite Long Master Fund, Ltd., a Cayman Islands exempted company (the “Long Master Fund”);
- Hoplite Long Fund, L.P., a Delaware limited partnership (the “Long Onshore Fund”); and
- Hoplite Long Offshore Fund, Ltd., a Cayman Islands exempted company (the “Long Offshore Fund”).

The Long Offshore Fund and the Long Onshore Fund invest substantially all of their assets in the Long Master Fund through a “master-feeder” fund structure. Hoplite Long GP, LLC, a Delaware limited liability company (the “Long GP”), serves as the general partner of the Long Onshore Fund and receives Incentive Allocation from the Long Master Fund. The Long GP is an affiliate of Hoplite and is controlled by Mr. Lykouratzos.

Hoplite does not currently tailor its advisory services to the individual needs of the underlying investors in the Funds (“Investors”) and does not accept Investor-imposed investment restrictions for the Funds. Hoplite has complete discretion to manage the investment program of each Fund, subject to the

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<sup>1</sup> It should be noted that the Clients’ assets under management disclosed herein has been calculated differently than that of regulatory assets under management as disclosed in Hoplite’s Form ADV Part 1, Item 5.F. The assets under management included herein are based on Hoplite’s net assets under management. If you have any questions, please contact Hoplite’s Chief Compliance Officer at 212-849-6700 or [compliance@hoplitecapital.com](mailto:compliance@hoplitecapital.com).

investment guidelines and restrictions set forth in the investment management agreement between the relevant Fund, on the one hand, and Hoplite, on the other hand.

Notwithstanding the foregoing, the Investment Adviser and/or the Funds have the right to enter into agreements, such as side letters, with certain underlying Fund Investors that may in certain cases provide for terms of investment or access to information that are different, and potentially more favorable, than the terms provided to other underlying Investors of the same Funds. As of the date of this Brochure, neither Hoplite nor the Funds have entered into any side letters that offer preferred fees or liquidity to any one Investor that have not been made available to all Investors that meet specified criteria (other than with affiliates and employees of the Investment Adviser or relatives or affiliates of such persons), and Hoplite does not currently advise any separately managed accounts.

Hoplite does not currently participate in wrap fee programs.

This Brochure does not constitute an offer to sell or a solicitation of an offer to buy any securities. The Funds' securities are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended, and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made. The descriptions set forth in this Brochure of specific advisory services that Hoplite offers to Clients, and investment strategies pursued and investments made by Hoplite on behalf of its Clients, should not be understood to limit in any way the Investment Adviser's investment activities. The Investment Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Investment Adviser considers appropriate, subject to each Client's investment objectives and guidelines.

## Item 5 – Fees and Compensation

**It is critical that Investors refer to a Fund’s confidential offering memorandum and other governing documents for a complete understanding of (i) how Hoplite is compensated from that Fund for its advisory services, (ii) the fees and expenses Investors may pay and how those fees and expenses are deducted from Investors’ assets, and (iii) Investors’ withdrawal and redemption rights. The information contained in this Brochure is only a summary and is qualified in its entirety by the aforementioned documents.**

### **Management Fees and Incentive Allocation**

Fees for the Funds generally are not negotiable. Hoplite has broad discretion to waive or reduce fees for Investors, but has only waived fees for Investors who are principals, employees or affiliates of Hoplite or relatives or affiliates of such persons.

Each LS Fund has several series or sub-classes (collectively, “Series”) of securities that are subject to different management fees and/or Incentive Allocation rates, depending upon the length of the lock-up to which the securities are subject (*i.e.*, an Investor can agree to subject the securities to a longer lock-up in return for paying lower management and/or performance-based fees), the tenure of an Investor’s investment in such securities and/or the amount of capital invested (including where an investment was made through a “Consultant”<sup>2</sup> relationship). Hoplite receives a management fee based on a fixed percentage of each LS Fund’s net assets.

Each Long Fund has several Series of securities that are subject to different Incentive Allocation and management fee rates. An Investor can elect to have their Series of securities subject to lower management fee rates in return for paying a higher percentage of the amount by which the “performance return” of each Series exceeds the “Benchmark Return” (as described in the Fund Documents) as an incentive allocation, and vice versa.

The management fee is payable monthly in advance, promptly after the first day of each month, based on the value of the Fund’s net assets as of the first day of such month, without regard to any “accrued” Incentive Allocation payable to the LS General Partner or Long GP, if any. Hoplite deducts the management fee directly from each Investor’s account.

The LS General Partner and the Long GP (together, the “General Partners”) generally receive an Incentive Allocation from Investors in the LS Funds and Long Funds, respectively, on each separate investment tranche in the Fund, reflecting a percentage of (x) for Investors in the LS Funds, net profits (if any) and (y) for Investors in certain Series of the Long Funds, the outperformance of a certain Benchmark Return (if any) attributable to that particular tranche during the Fund’s fiscal year. Hoplite or the General Partners will deduct the Incentive Allocation directly from an Investor’s capital account as of the end of the Fund’s fiscal year. Pursuant to a loss carryforward or underperformance recovery provision (generally referred to as a “high water mark”), no Incentive Allocation will be payable on any particular investment tranche in a (x) LS Fund until any net loss previously allocated to that tranche has been offset by subsequent net profits or (y) Long Fund until the performance return for the applicable tranche exceeds the Benchmark Return by an amount in excess of any underperformance recovery account for such tranche. If an Investor redeems capital or transfers his or her capital to a Series with a different Incentive Allocation rate, the Incentive Allocation on that capital will be “crystallized,” meaning that it will be deducted from the

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<sup>2</sup> “Consultant” means an investment adviser, broker-dealer or consultancy firm where such investment adviser, broker-dealer or consultancy firm has directed investments and/or provided discretionary or non-discretionary investment advisory or similar services with respect to investors that have made capital contributions in the LS Funds.

Investor's account and reallocated to the relevant General Partner as if the redemption (or transfer) date were the last day of the fiscal year or, in the case of a loss carryforward/underperformance recovery account, the loss carryforward/underperformance recovery account will be subject to reduction on a *pro rata* basis.

To the extent the General Partners receive an Incentive Allocation from the LS Offshore Master Fund and/or the Long Master Fund, to avoid double fees, the Incentive Allocation will not be separately charged to their respective feeder funds. When calculating the Incentive Allocation for the LS Offshore Master Fund and/or the Long Master Fund, all items of income, loss, profit and expense incurred by their respective feeder funds will be taken into account.

Because this Brochure will only be delivered to "qualified purchasers" as defined in the U.S. Investment Company Act of 1940, Hoplite's fee schedule has not been included in this Brochure.

### **Expenses**

Each of the Funds pays its own expenses, including the management fee; legal, accounting, tax preparation and other tax-related expenses (including preparation costs of financial statements, tax returns and reports to Investors), auditing, consulting and other professional expenses; administration expenses (including administrator fees and expenses); directors' fees (in the case of the Offshore Master Fund and the Offshore Fund); Fund-related insurance costs (including directors' and officers' insurance, errors and omissions insurance, fidelity insurance and other similar policies); research-related expenses (including, without limitation, news and quotation equipment and services); investment-related expenses (*i.e.*, expenses that, in the Investment Adviser's or General Partners' discretion, are related to the investment of the Funds' assets, whether or not such investments are consummated) such as commissions, interest on margin accounts and other indebtedness, and investment-related legal costs other than investment-related travel expenses; the cost of portfolio exposure and performance reporting, risk management and trade order management expenses; expenses relating to consultants, attorneys, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments; certain compliance and reporting expenses and expenses attributable to regulatory filings which are made with respect to the Funds' assets (including Section 13, Section 16 and non-U.S. position reporting filings); expenses associated with proxy and securities class action advisory firms; organizational expenses; expenses relating to the offer and sale of the Funds' securities (including, but not limited to, expenses related to registration, exemption and investor subscription filings made by or behalf of the Funds) and withdrawals or redemptions, as applicable, and transfers thereof; custodial fees, bank service fees and other reasonable expenses related to the purchase, sale or transmittal of Fund assets; and other expenses associated with the operation of the Funds, as determined by the General Partners and/or the Investment Adviser. For purposes of the foregoing, research and investment expenses include (but are not limited to) expenses that would constitute "research" and "brokerage" services under Section 28(e) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and related regulations and regulatory guidance. Please refer to Item 12 of this Brochure for a description of Hoplite's brokerage practices.

If any of the above expenses or other expenses are incurred jointly for the benefit of more than one Hoplite Client, such expenses will be allocated among the Clients in proportion to the size of the investment made by each Client in the activity or entity to which the expense relates, or in such other manner as the General Partners and/or the Investment Adviser considers fair and reasonable. To the extent that expenses to be borne by the Client are paid by the General Partners (in excess of its ratable share), the Investment Adviser or an affiliate thereof, the Client will reimburse the General Partners, the Investment Adviser or such affiliate for such expenses.

Neither Hoplite nor any of its supervised persons accepts compensation for the sale of securities of the Funds.

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

As described in Item 5, the LS General Partner may receive an Incentive Allocation from the LS Funds and the Long GP may receive an Incentive Allocation from the Long Funds.

It should be noted that the potential to receive an Incentive Allocation creates a potential conflict of interest in that Hoplite and the General Partners may have the incentive to make investments that are riskier or more speculative than they would make in the absence of an Incentive Allocation. And because the Incentive Allocation is calculated on a basis that includes unrealized appreciation of the Funds' assets, the Incentive Allocation may be greater than if it were based solely on realized gains. Hoplite recognizes that it is a fiduciary and, as such, must act in the best interests of its Clients. Further, Investors are provided with clear disclosure in the applicable Fund Documents as to how the Incentive Allocation is charged.

The Investment Adviser and/or the General Partners are ultimately responsible for the determination of asset valuations for all purposes, including the determination of the management fee and the Incentive Allocation. If the General Partners and/or the Investment Adviser determines that the market price does not fairly represent the value of an asset or liability, or that liquidation or third-party market valuations are unavailable to value an asset or liability, the General Partners and/or Investment Adviser will value such investment as it, in its sole discretion, reasonably determines. The Funds have contracted with an administrator to provide certain services, including independent price verification of the investments held by the various Funds in calculating each Fund's net asset value and capital account maintenance and the independent verification of the calculation of management fees and Incentive Allocations, among other services. In addition, the Investment Adviser and/or the General Partners have engaged and may, in their sole discretion, in the future engage third-parties to conduct independent valuations of certain less liquid or hard-to-value assets on a periodic basis, to the extent applicable. Finally, each Fund is audited by PricewaterhouseCoopers Cayman Islands, which performs valuation testing on certain Fund assets in connection with issuing the relevant audit opinion.



**Item 7 – Types of Clients**

Hoplite provides discretionary investment advisory services to its Clients, which are pooled investment vehicles operating as private investment funds (*i.e.*, hedge funds). Admission to the Funds is not open to the general public, and each Investor must meet the eligibility provisions and minimum contribution amounts described in the relevant Fund's confidential offering memorandum, subject to the Investment Adviser, relevant General Partner and/or Board of Directors exercising its discretion to accept contributions below such minimum amounts.

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

### **Investment Strategy:**

Hoplite's long/short investment strategy used on behalf of its LS Funds seeks to achieve maximum absolute returns that exceed those of broader market averages over time and to minimize risk and volatility of returns. Hoplite's long-only strategy used on behalf of its Long Funds seeks to outperform the Benchmark Return (as described in the Long Funds' offering documents) over time. Hoplite seeks out investment opportunities in equity markets around the world and in most industry sectors.

Hoplite primarily invests in equities and related securities or financial instruments on behalf of its Clients; however, Client accounts have broad and flexible investment authority. In order to maintain flexibility and to capitalize on investment opportunities as they arise, Hoplite is not required to invest any particular percentage of a Client's portfolio in any type of investment or region, and the amount of a Client's portfolio that is invested in any type of investment, whether long or short, or which is weighted in different countries, different sectors or different strategies can change at any time and from time-to-time based on Hoplite's current perception and availability of attractive market opportunities.

The LS Offshore Fund also offers additional classes and sub-classes of common shares that do not participate in profits and losses attributable to certain investments of the Fund in accordance with particular socially responsible investment mandates, the details of which are described in a supplement to the LS Offshore Fund's offering memorandum.

### **Investment Process:**

The Investment Adviser's investment process consists of three logical steps: (i) thesis generation; (ii) fundamental analysis and due diligence; and (iii) portfolio inclusion and sizing. Theses are typically generated on a bottom-up basis by sector-focused investment analysts who ordinarily focus on individual securities as opposed to broad macroeconomic themes. Once a thesis is developed, research is conducted to establish an in-depth understanding of the specific businesses and the key drivers relevant to the thesis. A view on valuation is established, which is ordinarily outlined in a financial model. Portfolio inclusion and sizing is based on the absolute quality of the thesis and positions are monitored and sizing is adjusted based on new information and stock price changes.

### **Risk of Loss:**

**Investments in the Funds are only suitable for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment. For an explanation of the most salient risks, Investors and potential Investors should review the applicable Fund's confidential offering memorandum, which contains a more fulsome discussion of the risks associated with investing in the Fund.**

**Short Sales:** Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the LS Funds' portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is the risk that the securities borrowed by the LS Funds in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the LS Funds may be compelled to replace borrowed securities previously sold short with purchases on the open market at the least advantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Long Only: The Long Funds will only make long equity investments and will not engage in short selling. As a result, the Long Funds may be less hedged than other private investment funds that engage in short selling. Accordingly, the investment portfolio of the Long Funds may be subject to more rapid change in value than would be the case if the Long Funds were required to maintain a wider diversification among types of securities and other instruments or if the Long Funds engaged in short selling or other hedging techniques.

Leverage: While the use of margin borrowing can substantially improve the return on invested capital, such use may also increase the adverse impact to which the Funds may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the Funds' securities and other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the Funds' obligations and if the Funds were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Funds' obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the Funds' borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Funds' profitability.

Depending on conditions in the credit environment at any given time, the Investment Adviser may find it difficult or impossible to obtain leverage for the Funds. Since the Funds typically utilize at least a moderate amount of leverage as part of their investment strategies, in such event the Funds could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Investment Adviser being forced to unwind positions quickly and at prices below what the Investment Adviser deems to be fair value for the positions.

Options: The purchase or writing of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Writing options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a theoretically unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Emerging Markets: Investing in emerging market securities involves certain risks and special considerations not historically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on the Funds' ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in emerging markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of the Funds' portfolio securities and cash with non-U.S. sub-custodians and securities depositories; and (xv) overall greater volatility.

Non-U.S. Securities: Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the U.S. government or U.S. companies. These considerations include, but are not limited to, changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the U.S., higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Currency Risks: The base currency of the Funds are U.S. dollars (“USD”). However, the Funds may invest in the securities of non-U.S. issuers and other instruments denominated in non-U.S. currencies. The Funds’ investments that are denominated in currencies other than the USD are subject to the risk that the value of the particular currency will change in relation to one or more other currencies. As a result, the Funds could realize a net loss on an investment, even if there were a gain on the underlying investment before currency losses were taken into account. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Investment Adviser may, but is not obligated to, seek to partially or completely mitigate some or all of the foreign currency exposure risk of any investment by investing in currencies, currency futures contracts and options on currency futures contracts, forward currency contracts, swaps, swaptions, or any combination thereof (whether or not exchange traded), but there can be no assurance that such strategies will be implemented or effective. In addition, the Funds may and likely will incur costs in connection with conversions between various currencies, as currency exchange dealers seek to realize a profit based on the difference between the prices at which they are buying and selling various currencies.

Swap Agreements: The Funds may enter into swap agreements. Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few weeks to several years. In a standard “swap” transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or “swapped” between the parties are calculated with respect to a “notional amount” (*i.e.*, the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency or security, or in a “basket” of securities representing a particular index). The “notional amount” of the swap agreement is only a fictive basis on which to calculate the obligations that the parties to a swap agreement agree to exchange. Most swap agreements entered into by the Funds would calculate the obligations of the parties to the agreement on a “net” basis. Consequently, the Funds’ obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the “net amount”).

Whether the Funds’ use of swap agreements will be successful in furthering its investment objective will depend on the portfolio manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. The Funds bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) includes provisions that require increased regulation of derivatives markets. The Dodd-Frank Act has introduced mandatory execution and clearing of certain swaps, as well as new recordkeeping and reporting requirements. This increased regulation may increase the costs of entering into certain transactions. As certain provisions of the Dodd-Frank Act still require rulemaking by the SEC and the U.S. Commodity

Futures Trading Commission (the “CFTC”), not all of which has been finalized as of the date of this Brochure, investors should expect future changes in this regulatory environment.

Systems Risks: The Investment Adviser relies heavily on computer programs and systems. In addition, certain of the Funds’ and the Investment Adviser’s operations interfaces will be dependent on systems operated by third parties, including the Funds’ prime brokers, the Administrator, market counterparties and other service providers, and the Funds and/or the Investment Adviser may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses, network or other cybersecurity intrusions, power failures and human error in connection with managing the Funds and their portfolios. Any such defect or failure could have a significant negative impact on the Funds. For example, such defects or failures could cause settlement of trades to fail, lead to inaccurate accounting, reporting or processing of trades and/or cause inaccurate reporting, which may affect the Funds’ ability to monitor the risks associated with their investment portfolios.

Cybersecurity Risk: The Funds and their service providers, including the Investment Adviser, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting the Funds or their service providers may adversely impact the Funds. For instance, cyber-attacks may interfere with the processing or execution of Fund transactions, cause the release of confidential information, including private information about Investors, subject the Funds and the Investment Adviser to regulatory fines or financial losses or cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which the Funds may invest. These risks could result in material adverse consequences for such issuers, and may cause the Funds’ investments in such issuers to lose value.

Risk Management Failures: Although the Investment Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Investment Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed by Hoplite may be incomplete or altogether ineffective. Similarly, the Investment Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to the Funds.

Concentration of Investments: The Investment Adviser’s objective is to invest the Fund’s capital in those situations which the Investment Adviser believes will offer the greatest risk-adjusted returns. Accordingly, the Fund may from time to time hold a few, relatively large (in relation to its capital) securities positions, with the result that a loss in any such position could have a material adverse impact on the Fund’s assets and the investment portfolio of the Fund may be subject to more rapid changes in value than would be the case if the Fund held a greater number of positions.

**Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of the Investment Adviser's advisory business or the integrity of the Investment Adviser's management.

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

The Investment Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

While the Funds may trade commodity interest positions, the General Partners or the Investment Adviser, as the case may be, claimed an exemption from registration with the CFTC as a commodity pool operator (“CPO”) pursuant to CFTC rule 4.13(a)(3). Therefore, unlike a registered CPO, neither the General Partners nor the Investment Adviser, as the case may be, are required to deliver a CFTC disclosure document to prospective Investors, nor are they required to provide Investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

The General Partners or Investment Adviser, as the case may be, qualify for the exemption under CFTC rule 4.13(a)(3) with respect to the Funds on the basis that, among other things, at all times either (a) the aggregate initial margin and premiums required to establish commodity interest positions will not exceed five percent of the liquidation value of the Fund at issue; or (b) the aggregate net notional value of commodity interest positions will not exceed one hundred percent of the liquidation value of the Fund at issue.

The Investment Adviser has also availed itself of an exemption from registration with the CFTC as a commodity trading advisor.

### **Affiliations with Pooled Investment Vehicles**

Hoplite has sponsored the Funds and serves as their Investment Adviser. Hoplite Capital, LLC and Hoplite Long GP, LLC, both affiliates of Hoplite which are controlled by Mr. Lykouratzos, serve as the general partners of the LS Onshore Fund and the Long Onshore Fund, respectively.

Hoplite has negotiated the investment management agreements with the Funds. While these may be interested party agreements, the material terms of the investment management arrangements are disclosed to all Investors prior to their investment.

The Funds do not have independent directors, except as noted below. The LS Onshore Fund and Long Onshore Fund (together, the “Onshore Funds”) do not have an independent board of directors. The LS Offshore Master Fund, the LS Offshore Fund, the Long Master Fund and the Long Offshore Fund each have three directors – Mr. Lykouratzos is one of the directors, but the other two directors are independent from Hoplite.

Hoplite’s affiliates, principals and employees (and relatives and affiliates of such persons) invest directly in the Funds, but those affiliated party investments generally are not subject to the management fees or Incentive Allocation described in Item 5, and those affiliated Investors generally may redeem all or any part of their capital on any calendar quarter end, subject to having, with limited exceptions, ordinarily satisfied the same notice requirements applicable to Investors that are not affiliated with the Investment Adviser.

### **Material Relationships or Arrangements with Industry Participants**

Hoplite does not recommend or select other investment advisers for its Clients.

Hoplite may and will on occasion utilize third-parties that employ friends or family members of Hoplite personnel, including individuals who have personal relationships with those who perform tax, accounting, legal or other professional services on behalf of both the Investment Adviser and the Funds and

who may benefit, directly or indirectly, from such business relationships. In each such case, the Investment Adviser will seek to hire such third-parties on their merit and not based on any personal relationship that Hoplite personnel have with any such service provider. Hoplite believes that, in certain instances, it is in our Clients' best interests (and consistent with the fiduciary duties we owe to such Clients), for certain Hoplite employees to be able to discuss investment ideas and strategies regarding specific companies, securities, industries, markets or the economy in general with third-parties, including other industry professionals, so that such Hoplite employees can, among other things, evaluate and refine such ideas and strategies. As such, Hoplite's investment team members do periodically consult with other investment professionals, such as their peers at third-party investment managers, to discuss investment ideas, including those involving specific positions held by Clients. Hoplite believes that this sharing of information provides benefits to Hoplite's Clients over time through idea generation and the receipt of helpful investment perspectives from other industry participants, although there is no guarantee that this approach will be successful and some of these discussions may ultimately work to the detriment of Hoplite's Clients.



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

### **Code of Ethics:**

Hoplite has adopted a Code of Ethics (the “Code”), which is designed to meet the requirements of SEC Rule 204A-1. The Code applies to Hoplite’s employees and any consultant or other non-employee who Hoplite’s Chief Compliance Officer (“CCO”) determines to treat as a “Supervised Person” for purposes of the Code.

The Code sets forth a standard of business conduct that takes into account Hoplite’s status as a fiduciary to the Funds and requires Supervised Persons to place the Funds’ interests above their own interests. The Code requires Supervised Persons to comply with applicable federal securities laws. The Investment Adviser, in the course of its investment management and other activities, may come into possession of confidential or material non-public information. Hoplite is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Investment Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and that seek to ensure that the Investment Adviser remains in compliance with applicable law.

Further, Supervised Persons are required to promptly bring violations of the Code to the attention of Hoplite’s CCO. Upon hire and at least annually thereafter, all Supervised Persons are required to acknowledge receipt of, and agreement to abide by, the Code.

The Code also sets forth reporting and pre-clearance requirements for personal trading by Supervised Persons. Supervised Persons must provide Hoplite’s CCO with a list of their “covered accounts” (as defined in the Code) and an initial holdings report within 10 days of becoming a Supervised Person. In addition, Hoplite’s Supervised Persons must provide annual holdings reports and quarterly transactions reports in accordance with Advisers Act Rule 204A-1.

The Investment Adviser will use its best efforts in connection with the purposes and objectives of the Funds and will devote as much of its time and effort to the affairs of the Funds as may, in its judgment, be necessary to seek to accomplish the purposes of the Funds. The Code and the investment management agreement specifically provide that Hoplite (or its principals) may conduct any other business, including any business within the securities industry, whether or not such business is in competition with the Funds. In this regard, senior investment professionals of Hoplite currently serve and may in the future serve on the investment committees of charitable and non-profit organizations, and the Investment Adviser has implemented policies and procedures that are reasonably designed to address any (actual or potential) conflicts of interest that may arise as a result of these activities. The CCO (or his designee) evaluates the potential or actual conflicts of interest related to each outside activity on a case-by-case basis and provides prior approval before a Supervised Person participates in such outside activity.

Hoplite has also adopted policies and procedures intended to prevent Supervised Persons from being unduly influenced in their decisions by the receipt of gifts or other inducements from third parties, such as brokers, trading counterparties or vendors. Supervised Persons are required to seek pre-approval to keep and/or give certain types of business gifts. In addition, Hoplite’s policies set forth standards for receiving and providing business entertainment from or to certain third-parties, using social media for business purposes and interacting with the government, among other things.

Clients or prospective Clients may obtain a copy of the Code by contacting Hoplite’s CCO at 212-849-6700 or [compliance@hoplitecapital.com](mailto:compliance@hoplitecapital.com).

### **Personal Trading:**

Hoplite manages the potential conflicts of interest inherent in Supervised Person personal trading by rigorous enforcement of its Code, which contains significant limitations on Supervised Persons' personal investment activities, including pre-clearance and reporting guidelines for Supervised Persons. As noted above, Hoplite receives transactions and holdings reports in accordance with Advisers Act Rule 204A-1. The CCO (or his designee) reviews Supervised Persons' personal transactions and holdings reports to make sure each Supervised Person is conducting his or her personal securities transactions in a manner that is consistent with the Code. Hoplite's Chief Financial Officer (or his designee) reviews the CCO's personal transactions and holdings reports and has approval authority for his personal trading requests.

Supervised Persons generally are prohibited from personal trading in publicly-traded "reportable securities" that comprise the vast majority of the investable universe of Hoplite's Clients. However, if upon hire a Supervised Person holds any such reportable securities ("legacy positions"), the Supervised Person may retain them indefinitely or, subject to pre-approval by the CCO (or his designee), sell any such legacy positions, but may not make new investments in such securities while they are Supervised Persons of Hoplite. Hoplite's Supervised Persons may also purchase and sell a narrowly defined universe of instruments (*e.g.*, mutual funds, money market funds, certificates of deposit, Treasury securities, co-op securities, open-end funds and municipal bonds) without pre-clearance and broad-based exchange-traded funds and private investments with pre-clearance. Some Hoplite Clients may invest in the same or similar mutual funds and ETFs that Supervised Person may permissibly invest in under the Code.

Notwithstanding the restrictions on trading reportable securities as described above, a Supervised Person may have an account which trades in such securities if (a) the account is managed on a discretionary basis by a professional investment adviser, (b) the employee confirms that he or she (or his or her spouse or domestic partner, minor children or financial dependents) will not directly or indirectly influence or control transactions or have the ability to influence or control any such transactions for the account, (c) the employee reports the existence of the account and completes and returns a written certification from the third-party adviser confirming that he or she will independently manage the account and not take instruction from the Supervised Person on any investment decisions for the account, and (d) the employee recertifies on an annual basis that he or she did not directly or indirectly influence or control any investment decisions for the account during the applicable time period, as any such account is not subject to the reporting requirements under Rule 204A-1.

Hoplite's Legal and Compliance Department (the "LCD"), directly or through a third-party compliance consultant, reviews the personal transactions and holdings reports of Supervised Persons, among other things, on a periodic basis.

### **Participation or Interest in Client Transactions:**

As explained in Item 10, both Hoplite and the General Partners have financial ownership interests in the Funds and receive a management fee and/or Incentive Allocation, as the case may be, in relation to their services to the relevant Funds.

Also as explained in Item 10 and elsewhere in this Brochure, Hoplite's affiliates, principals and employees (and the relatives and affiliates of such persons) invest directly in the Funds, but those related party investments generally are not subject to the management fees or Incentive Allocation described in Item 5, and those related party Investors generally will be entitled to redeem at the end of any calendar quarter, typically subject to, with limited exceptions, having satisfied the same notice requirements applicable to Investors that are not affiliated with the Investment Adviser.

The fact that Hoplite, the General Partners and Hoplite's principals and employees (or relatives or affiliates thereof) have financial ownership interests in the Funds creates a potential conflict in that it could cause Hoplite to make different investment decisions than if such parties did not have such financial ownership interests. Further, Hoplite or the General Partners receive management fees and/or an Incentive Allocation. The management fees are payable without regard to the overall success or income earned by the Funds and therefore may create an incentive on the part of Hoplite to raise or otherwise increase assets under management to a higher level than would be the case if Hoplite were receiving no management fee. The Incentive Allocation may create an incentive for Hoplite to make investments that are riskier or more speculative than in the absence of receipt of the Incentive Allocation.

Hoplite addresses these potential conflicts through regular monitoring of the Funds' portfolios as described in Item 13 of this Brochure. Further, the Funds' respective offering documents contain extensive disclosure regarding the potential risks relating to an investment in the Funds, including material conflicts of interest. The Code notes that Supervised Persons are required to place the interests of the Funds over their own and all Supervised Persons are required to acknowledge their receipt of, and agreement to abide by, the Code (among other things) upon hire and at least annually thereafter.

Complete fee disclosures are provided to Investors in each Fund's confidential offering memorandum and prospective Investors should review such disclosures carefully.

The Investment Adviser, the General Partners, their respective affiliates and each of their officers, directors and employees may become aware of, and participate in, business opportunities and investments in which a Fund will not be given an opportunity to participate. Moreover, at any time, the Investment Adviser or one of its affiliates may, in its sole discretion, provide one or more Investors or other persons with the opportunity to co-invest (other than in their capacity as an Investor in the Funds) with the Fund in Fund investments or with other investment vehicles, subject to such timing and other conditions as the Investment Adviser or one of its affiliates may, in their sole discretion, impose. Any such co-investment may, if the Investment Adviser or one of its affiliates so requires, be made through one or more investment partnerships or other vehicles formed to facilitate such co-investment. Any offer to participate in a co-investment opportunity may be made to such Investors and/or such other persons in such proportions and on such terms as the Investment Adviser or one of its affiliates shall determine in their sole discretion, and an Investor that desires to participate in a potential co-investment may not receive the full amount, or any amount, of its desired co-investment. Officers, directors, members and employees of the Investment Adviser and its affiliates may also participate, directly or indirectly, in co-investments and accordingly, this may reduce the availability of co-investment opportunities for third parties.

In addition, purchase and sale transactions may be effected between the Funds (so called "cross trades") if: (i) the transactions are effected for cash consideration at the current market price of the particular securities, and (ii) no brokerage commission or fee or other remuneration is paid to Hoplite or its affiliates in connection with any such transaction. Such cross trades are typically conducted in accordance with the LS Funds' Rebalance Policy and Procedures.

## Item 12 – Brokerage Practices

Hoplite has sole authority for selecting the broker-dealer used in each transaction for the Funds and for negotiating the fees to be paid to the broker-dealer in connection with such transactions. Hoplite recognizes its duty to obtain “best execution.” Consistent with such duty, in determining best execution, Hoplite takes into account the full range and quality of a broker-dealer’s services, including research and other services (including capital introduction services) that benefit both the Funds and Hoplite. Therefore, Hoplite does not necessarily negotiate “execution only” commission rates and at times will “pay up” for research and other services provided by the broker through the commission rate (“soft dollars”). Hoplite does not select broker-dealers solely on the basis of lowest possible commission costs, but by the best qualitative execution. (For the avoidance of doubt, the Investment Manager is not subject to the European Union’s revised Markets in Financial Instruments Directive (“MiFID II”).) Moreover, Hoplite does not necessarily measure best execution by the circumstances surrounding a single transaction but instead may be measured over time.

Consistent with such policy, consideration is given to a variety of factors, including, but not limited to, one or more of the following:

- Research, including access to conferences and public company management
- Attention to Hoplite’s account
- Willingness to commit capital for trades
- Ability to source or provide liquidity
- Broker’s credit worthiness
- Broker’s ability to maintain confidentiality
- Cost of execution
- Trading products/Execution expertise
- Access to market information
- Providing investment ideas
- Broker’s efficiency in booking and settling trades
- Ability of broker to provide access to multiple markets and venues (including foreign markets)
- Financing Terms
- Experience in high volume transactions

While the primary consideration in allocating portfolio transactions to brokers will be to obtain favorable prices and efficient executions, as noted above, Hoplite does not have an obligation, and does not always seek, to obtain the lowest priced execution regardless of qualitative considerations. Commission rates are generally negotiable and thus executing trades on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

Using brokerage commissions to obtain research or other products or services provides Hoplite with a benefit because Hoplite does not have to produce or pay for research, products or services. Accordingly, the Funds pay for research and other services with “soft” or commission dollars. Hoplite has an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on a Fund’s interest in receiving the most favorable execution. Research and brokerage services obtained by the use of commissions arising from a Client’s portfolio transactions may be used by the Investment Adviser in its other investment activities, including, for the benefit of other Client accounts; however, the Investment Adviser generally seeks to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the account generates.

Section 28(e) of the Exchange Act provides a “safe harbor” to investment managers who use commission dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the manager in the performance of investment decision-making responsibilities. Hopleite is authorized to use commission dollars to pay for any of the Funds’ expenses (which are summarized in Item 5), which is outside the parameters of Section 28(e). However, as of the date of this Brochure, Hopleite is only using soft dollars to obtain investment research and brokerage services or products as permitted under the safe harbor afforded by Section 28(e).

In addition, the Investment Adviser utilizes Commission Sharing Arrangements (“CSA”) to obtain investment research and brokerage services that fall under within the safe harbor under Section 28(e) of the Exchange Act. Under these types of arrangements, the Investment Adviser requests that executing brokers allocate a portion of total commissions paid to a pool of “credits” maintained by a broker-dealer that can then be used to obtain 28(e) eligible services. After accumulating a number of credits within the pool, the Investment Adviser subsequently directs that those credits be used to pay appropriate parties in return for eligible research and/or brokerage services.

The types of brokerage and research services that Hopleite acquired with Client brokerage commissions in 2017 included, among other things: research reports (including market research); subscriptions to financial newsletters and trade journals intended to serve the interests of a narrow audience with specified interests; software providing analysis of securities portfolios; discussions with research analysts; meetings with corporate executives; attendance at seminars and conferences (other than travel-related expenses); expert consultations relating to current or prospective Fund investments, including relevant policy analysis; data services (including services providing market data, company financial data, consumer data and economic data); advice from brokers on order execution; services and software related to the execution, clearing, borrowing and settlement of securities transactions and functions incidental thereto (*e.g.*, connectivity services between Hopleite and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; and software used to transmit and manage orders.

If an expense relates to both a function that would generally qualify for soft dollar payment under our policy stated above as well as a function which does not (*e.g.*, Client research and Hopleite administrative functions, respectively), Hopleite’s CCO (or his designee) will make a good faith allocation of the cost between qualifying and non-qualifying functions to determine the portion that may be paid with soft dollars. The allocation process will attempt to take into account the principal functions or benefits of the item involved, but will not attempt to measure *de minimis* or occasional non-qualified usage or non-qualified usage of a *de minimis* value. It is therefore possible that payments associated with such non-qualified usage or payments made in error could benefit Hopleite, but it is not expected that such payments would be material in amount. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of the Investment Adviser’s allocation of the costs of such benefits and services between those that primarily benefit the Investment Adviser and those that primarily benefit the Funds.

The Investment Adviser periodically considers the amount and nature of research and research-related services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the Funds’ brokerage business on the basis of that consideration. Broker-dealers sometimes suggest a level of business that they would like to receive in return for the various products and services that they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will the Investment Adviser make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. However, the Investment Adviser may, in its sole discretion, elect to pay a broker-dealer with soft dollar credits or cash in recognition

of the value of the research services provided where the level of brokerage activity with that broker-dealer is below Hoplite's perceived value of the services that the broker-dealer has provided to the Funds. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Hoplite's Brokerage Committee (which includes Hoplite's CCO, Controller and Head Trader, among others) periodically and systematically evaluates the execution performance of the broker-dealers that Hoplite utilizes.

#### **Brokerage for Client Referrals**

Hoplite will at times place transactions with a broker-dealer that (i) provides Hoplite (or its affiliates) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers Investors to the Funds advised by Hoplite (or an affiliate). Because such referrals, if any, could benefit Hoplite and its affiliates, Hoplite would have a conflict of interest with the Funds when allocating Fund brokerage business to a broker who has referred Investors to the Funds. To prevent Fund brokerage commissions from being used to pay for Investor referral fees, Hoplite will not allocate Fund brokerage business to a referring broker in sole recognition of the opportunity to participate in such capital introduction events or the referral of Investors, but rather, will determine in good faith that the commissions payable to such broker is consistent with its obligation to seek best execution.

#### **Directed Brokerage**

Hoplite does not (i) recommend, request or require that a Client direct the Investment Adviser to execute transactions through a specified broker-dealer or (ii) permit a Client to direct brokerage.

#### **Order Aggregation & Trade Allocation**

When appropriate, Hoplite will generally, but is not required to, aggregate Client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Funds participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

The Investment Adviser (and its principals) may serve as investment adviser or investment manager to other client accounts and conduct investment activities for their own accounts. Such other entities or accounts (excluding the Funds, referred to herein as the "Other Clients") may have investment objectives or may implement investment strategies similar to, different than or overlapping with, those of the Funds. Accordingly, the Funds and the Other Clients may co-invest in many of the same securities and issuers. Even if an Other Client has an investment objective or strategy that is similar to that of the Funds, the Investment Adviser may give advice or take action with respect to the investments held by, and transactions of, the Other Clients that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, the Funds due to a variety of reasons, including, without limitation, investment objective and strategy, investment restrictions and liquidity terms related to the Other Clients. Accordingly, the portfolios of the Funds may differ substantially from the portfolios of Other Clients and may have different investment returns. For example, the Funds may buy a security and an Other Client may establish a short position in that same security. The subsequent short sale may result in a decrease in the price of the security which the Funds hold. Conversely, the Investment Adviser may establish a short position in a security for the Funds and the Investment Adviser may advise that an Other Client buy that same security. The subsequent purchase may result in an increase of the price of the underlying position in the short sale exposure, which may be to the detriment of such Other Client.

To the extent a particular investment is suitable for both the Funds and the Other Clients, such investments will generally be allocated between the Funds and the Other Clients *pro rata* based on assets under management or in some other manner which the Investment Adviser determines is fair and equitable

under the circumstances to all clients, including the Funds. Simultaneous identical portfolio transactions for the Funds and the Other Clients may tend to decrease the prices received, and increase the prices required to be paid by the Funds for its portfolio sales and purchases, as the case may be. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the Funds and the Other Clients in an equitable manner as determined by the Investment Adviser.

Further, when one Fund is ramping up its investment or trading strategies, it may receive larger allocations of certain financial instruments than the other Fund or the Other Clients in order to obtain its desired risk and portfolio size. Conversely, when Other Clients or one Fund ramps up their investment and trading strategies, the other Fund may receive reduced or no allocations of certain financial instruments. In addition, from time to time, the Investment Adviser may specially allocate shares between accounts to the extent it determines to do so in light of the investment objectives of the Funds and such Other Clients.

### **Trade Errors**

Hoplite has, on occasion, committed (and may in the future commit) “trade errors” with respect to trades made on behalf of its Clients. When Hoplite becomes aware of a trading error, it will work on rectifying the issue in an expeditious fashion.

Trade errors often result in losses, but may occasionally result in gains. Losses caused by trade errors committed by Hoplite personnel will ordinarily be borne by the Funds, except for losses caused by Hoplite’s willful misfeasance, bad faith or gross negligence, which would then be borne by Hoplite. Any gains resulting from such errors will be retained by the affected Fund(s). The evaluation of the standard of care exercised in committing a trade error will be performed by Hoplite, in its sole discretion, which may be conflicted in making such a determination.

### **Item 13 – Review of Accounts**

Hoplite's CIO, Director of Research ("DOR"), investment analysts, trading desk, Accounting and Operations Department and the LCD review Client accounts continuously. Hoplite's investment analysts are each responsible for monitoring specific positions and generally follow separate sectors and/or subsectors. On a daily basis, the CIO, DOR, investment analysts, the Accounting and Operations Department and the LCD review transactions that the trading desk executes. Where applicable, these reviews include, but are not limited to, an assessment of daily profit and loss reports with respect to its Clients' investment positions, the amount of leverage employed in connection with managing its Clients' accounts and adherence to each Client's trading parameters and investment strategies. Hoplite's CIO, DOR, investment analysts and trading desk evaluate the Clients' investments based on performance, company fundamentals, news and press releases, analyst reports, general market conditions and other considerations. A special review of a Client account may be triggered by any unusual activity or special circumstances.

Generally, all Investors receive the following written reports in the ordinary course:

- mid-month (if requested) and end-of-month unaudited performance estimates
- monthly unaudited capital account statements for Investors in the Onshore Funds/ monthly unaudited net asset value statements for LS Offshore Fund and Long Offshore Fund Investors
- monthly unaudited performance, exposure and attribution reports
- monthly Long Holdings Report (if requested and upon executing a non-disclosure agreement)
- quarterly letters to Investors that discuss Fund performance
- quarterly Morgan Stanley Fund Services Stratum<sup>SM</sup> Investor report
- annual financial statements (which have been audited by independent public accountants)
- annual tax reports for Investors in the Onshore Funds

The Investment Adviser may, from time to time, provide additional information relating to the Funds to one or more Investors in connection with a request from a particular investor or as it otherwise deems appropriate. For example, in response to questions and requests in connection with due diligence meetings and other communications, certain current or prospective Investors may be provided with additional information that is not generally distributed to all Investors, including but not limited to portfolio information. In addition, the Investment Adviser may afford current or prospective Investors access to certain investment personnel or provide them with certain information or materials underlying a specific investment decision. Any additional information provided may affect a current or prospective Investor's decision to invest in a Fund or remain invested in a Fund.



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

Hoplite has entered into, and may in the future enter into, referral agreements with third-party solicitors (“Placement Agents”) to offer interests in and/or shares of the Funds to prospective Investors. Hoplite typically pays the Placement Agents a portion of the management fee and/or Incentive Allocation attributable to assets originated by the Placement Agent. To date, these arrangements do not result in an Investor paying any fees to Hoplite in excess of those that would be charged by the Investment Adviser in the absence of the services provided by the Placement Agent. To the extent that third-party agents refer Clients to Hoplite, all such referral activities would be conducted in accordance with SEC Rule 206(4)-3 under the Advisers Act, as well as relevant SEC guidance.

As described in Item 12, Hoplite may receive Investor referrals from broker-dealers providing services to our Clients. Further, Item 12 discusses how Hoplite receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements.

**Item 15 – Custody**

Hoplite, the LS General Partner and Long GP are deemed to have custody of Client funds and securities because they have the authority as investment manager or general partner to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account to pay Fund expenses. The Clients maintain their assets, in their own name, with unaffiliated qualified custodians.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Hoplite has a reasonable belief that all Investors will be provided with financial statements for their respective Fund, audited by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of such Fund's fiscal year.

## **Item 16 – Investment Discretion**

Hoplite has full discretionary authority to manage its Clients' accounts. Among other things, this means that Hoplite is authorized to make purchase and sale decisions for the Funds, subject to the investment objectives and guidelines set forth in the respective Fund's offering documents. Prior to assuming discretion over a Client's assets, the Investment Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Investment Adviser's discretion. Investors do not currently have the ability to impose limitations on Hoplite's discretionary authority. Prospective Investors are provided with a confidential offering memorandum and other offering documents prior to their investment and are encouraged to carefully review those materials, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors must also execute a subscription agreement, which constitutes a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms.

## **Item 17 – Voting Client Securities**

Hoplite retains proxy-voting authority for securities purchased for the Funds. Hoplite understands and appreciates the importance of proxy voting. Hoplite has appointed Glass, Lewis & Co. (“Glass Lewis”), an independent proxy voting service, to manage the receipt of incoming proxies, maintain a log of all proxies and place votes on Hoplite’s behalf. Clients are not permitted to direct their votes in a particular solicitation.

Hoplite seeks to vote proxies in the best interests of each Fund. In general, Hoplite believes that voting proxies in accordance with Glass Lewis’ recommendations will be in the best interests of the Funds, which is why Hoplite will, by default, vote the proxy in accordance with those recommendations. However, if Hoplite determines that it is in the best interests of Hoplite’s Clients to deviate from the default rule in any particular instance, Hoplite may vote a proxy in any manner it deems is in the best interests of the Client. If the investment analyst responsible for the position determines that it is in a Client’s best interest to vote differently from the Glass Lewis recommended vote, he or she may direct the Client’s vote accordingly, subject to obtaining prior approval from the CCO. Specifically, the CCO will assess whether any material conflicts of interest exist, and will document the rationale underlying any proxy vote that differs from Glass Lewis’s recommendations.

Hoplite periodically, among other things, (a) reviews Glass Lewis’ business and internal policies and procedures to identify and address any conflicts of interest, (b) assesses whether Glass Lewis has the requisite expertise and capacity to adequately analyze proxy issues, and (c) samples proxy votes to ensure that Glass Lewis has voted proxies in accordance with the Investment Adviser’s policy.

Hoplite keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each Client request for proxy voting records (and Hoplite’s corresponding response) for the previous five years. Under the services contract between Hoplite and Glass Lewis, Glass Lewis maintains most of Hoplite’s proxy-voting records, which Hoplite has the ability to access remotely.

Upon request, any Client can obtain (1) a copy of Hoplite’s proxy voting policies and procedures and (2) information concerning proxy votes made on behalf of the Fund at-issue by contacting Hoplite’s CCO at 212-849-6700 or [compliance@hoplitecapital.com](mailto:compliance@hoplitecapital.com).

**Item 18 – Financial Information**

Hoplite is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.

**Item 19 – Requirements for State-Registered Advisers**

Not applicable.