

## **PART 2A OF FORM ADV: FIRM BROCHURE**

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**This Brochure provides information about the qualifications and business practices of Crescendo Advisors II, LLC ("Crescendo" or the "Adviser"). If you have any questions about the contents of this brochure, please contact Thomas Kobylarz at 212-319-7676 or [tkobylarz@crescendopartners.com](mailto:tkobylarz@crescendopartners.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 Crescendo also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

There have been no material changes made to the Brochure since the Adviser's last filing which was filed on March 2013, however the Adviser has made some routine updates and clarifying changes to the Brochure.

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## ITEM 4 – ADVISORY BUSINESS

Item 4.A	<p><b>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</b></p> <p>Founded in August of 2000, Crescendo Advisors II, LLC (“Crescendo” or the “Adviser”) is a Delaware limited liability company. Eric Rosenfeld is the sole owner of Crescendo.</p>
Item 4.B	<p><b>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</b></p> <p>Crescendo provides investment advisory services on a discretionary basis to its clients, which include private funds that are pooled investment vehicles intended for sophisticated investors and institutional investors (the “clients”).</p>
Item 4.C	<p><b>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</b></p> <p>The Adviser does not tailor advisory services to the individual needs of clients. In certain circumstances, clients may impose restrictions on investing in certain securities or certain types of securities.</p>
Item 4.D	<p><b>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</b></p> <p>Crescendo does not participate in wrap fee programs.</p>
Item 4.E	<p><b>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date “as of” which you calculated the amounts.</b></p> <p>As of March 2014, the Adviser had approximately \$143,000,000 regulatory client assets under management. The Adviser does not currently manage any client assets on a non-discretionary basis.</p>

## ITEM 5 – FEES AND COMPENSATION

Item 5.A	<p><b>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</b></p> <p>The Adviser is paid an asset-based investment management fee ranging from 1.0% - 2.0% per annum of the net assets of the respective client account.</p> <p>Investment management fees are charged each quarter in advance based on the total market value of the assets in the client account on the first day of each quarter. If a new client account is established during a quarter or a client makes an addition to its account during a quarter, the investment management fee will be charged as of the effective date of the investment management agreement or the date of the additional contribution based on the value of the assets as of the applicable date and will be prorated for the number of days remaining in the quarter.</p> <p>The Adviser (or an affiliate of the Adviser) may also be paid performance-based compensation, which is compensation that is based on a share of capital gains or capital appreciate of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle). This performance-based compensation is calculated at a rate of 20% of each client's net profits and is subject to a loss carryforward provision.</p> <p>These fees are negotiable.</p>
Item 5.B	<p><b>Describe whether you deduct fees from <i>clients'</i> assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</b></p> <p>The Adviser deducts the investment management fee from client accounts on a quarterly basis in advance by instructing the client's custodian.</p>
Item 5.C	<p><b>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</b></p> <p>In addition to paying investment management fees and, if applicable, performance-based compensation, client accounts will also be subject to other investment expenses such as organizational expenses, audit expenses, preparation of its tax returns or other accounting services, costs of trading and investing, fees and expenses of attorneys, interest on withdrawn capital, legal fees and costs arising in connection with any litigation or investigation by or against a client or Crescendo or its affiliates relating to the investment activities of a client or otherwise, costs of proxy solicitations, travel and entertainment expenses incurred by the Adviser or its affiliates, research and related expenses, the costs of publications and subscriptions and other similar expenses.</p>

Item 5.D	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>The clients are required to pay the Adviser's fees in advance. If the advisory contract is terminated or a withdrawal is made before the end of a quarter, the amount of fees refunded will be determined on a pro rata basis calculated based on the number of days remaining in the quarter.</p>
Item 5.E	<p>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable to Crescendo.</p>
Item 5.E.1	<p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable to Crescendo.</p>
Item 5.E.2	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable to Crescendo.</p>
Item 5.E.3	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable to Crescendo.</p>
Item 5.E.4	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Not applicable to Crescendo.</p>

## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

**If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.**

The Adviser and its investment personnel provide investment management services for multiple clients. The Adviser (or an affiliate of the Adviser) is entitled to be paid performance-based compensation by its private pooled investment vehicle clients. In addition, the Adviser's investment personnel may be compensated on a basis that includes a performance-based component. In addition, certain client accounts may have higher asset-based charges than other accounts. When the Adviser and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. The Adviser and its investment personnel have a greater incentive to favor client accounts that pay the Adviser (and indirectly its investment personnel) higher fees.

The Adviser manages multiple client accounts. Accordingly, the Adviser has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. When it is determined that it would be appropriate for two or more clients to participate in an investment opportunity, the Adviser will seek to execute orders for all of the participating clients on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, and the investment programs and portfolio positions of the clients. Orders may be combined for all such clients, and if any order is not filled at the same price it may be allocated on an average price basis. Similarly, if an order on behalf of more than one client cannot be fully executed under prevailing market conditions, securities may be allocated among the different clients on a basis which the Adviser considers equitable.

Upon partial disposition of any investment, the proceeds of such disposition will be allocated to the clients pro rata in proportion to the amounts held by such clients.

## ITEM 7 – TYPES OF CLIENTS

**Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

The Adviser's clients consist of private funds. The initial subscription minimum is disclosed in the offering documents for each client, which may be waived at the discretion of the Adviser or its affiliates.



## ITEM 8 –METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8.A	<p><b>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</b></p> <p>The investment objective of the clients is to achieve capital appreciation by investing in companies whose securities are deemed to be undervalued and/or may be considered, by Crescendo, possible or actual targets of an acquisition proposal, recapitalization, restructuring, reorganization, liquidation, partial liquidation, proxy proposal, corporate governance change or other significant event. In certain situations, the Adviser will undertake an activist approach by obtaining positions in companies that provide the clients an opportunity to influence management and boards of directors to adopt strategies the Adviser believes will maximize shareholder value. The clients will also make passive investments. The clients invest primarily in Canadian or U.S. companies.</p> <p>The investment activities of the clients may also include, among other things: the use of short positions or derivative instruments (primarily for hedging purposes), borrowing against a securities position through margin transactions, or investments in restricted securities.</p> <p>These strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire contribution.</p>
Item 8.B	<p><b>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</b></p> <p><u>Control Positions</u></p> <p>To the extent that a client owns a controlling stake in or is deemed an affiliate of a particular company, it may be subject to certain additional securities laws restrictions which could affect both the liquidity of the client's interest and the client's ability to liquidate its interest without adversely impacting the stock price, including insider trading restrictions, the affiliate sale restrictions of Rule 144 of the Securities Act, and the disclosure requirements of Sections 13 and 16 of the Exchange Act. In addition, to the extent that affiliates of the client or the Adviser are subject to such restrictions, the client, by virtue of its affiliation with such entities, may be similarly restricted, regardless of whether the client stands to benefit from such affiliate's stock ownership.</p> <p>If the client, alone or as part of a group acting together for certain purposes, becomes the beneficial owner of more than 10% of certain classes of securities of a U.S. public company or places a director on the board of directors of such a company, the client may be subject to certain additional reporting requirements and to liability for short-swing profits under Section 16 of the Exchange Act.</p>

	<p>Furthermore, the client may also be subject to similar reporting requirements in non-U.S. jurisdictions where it holds significant positions in the securities of public companies in such jurisdictions.</p> <p><u>Directorships on Boards of Portfolio Companies</u></p> <p>Employees and/or members of Crescendo may serve, from time to time, as directors, or in a similar capacity, with respect to companies, the securities of which are purchased or sold on behalf of a client. In the event that such persons (i) obtain material non-public information with respect to such companies or (ii) are subject to trading restrictions pursuant to the internal trading policies of such companies, a client may be prohibited for a period of time from purchasing or selling the securities of such companies, which prohibition may have an adverse effect on the client.</p> <p><u>Proxy Contests and Unfriendly Transactions</u></p> <p>The clients may purchase securities of a company which is the subject of a proxy contest in the expectation that new board members will be able to improve the company's performance or effect a sale or liquidation of its assets so that the price of the company's securities will increase. If some or all of the incumbent board of the company is not replaced or if new board members are unable to improve the company's performance or sell or liquidate the company, the market price of the company's securities may fall, which may cause the clients to suffer a loss. In addition, where an acquisition or restructuring transaction or proxy fight is opposed by the subject company's management, the transaction may become the subject of litigation. Such litigation involves substantial uncertainties and may impose substantial cost and expense on the company participating in the transaction and on the clients.</p> <p><u>Litigation</u></p> <p>The Adviser's will generally seek to undertake an activist approach, and as the principals of the Adviser may serve, from time to time, as directors, or in a similar capacity, with respect to companies the securities of which are purchased or sold on behalf of the clients, the clients as well as the Adviser and its principals and affiliates may be subject to litigation.</p> <p><u>Insufficient Resources to Effectuate Strategies</u></p> <p>The resources necessary to purchase interests in a target company and the related activities, by reason of prolonged administrative reviews, protracted litigation or similar factors, may be greater than the available capital of the clients and prevent the clients from effectuating the strategic plan. While the clients may seek to obtain additional capital, there is no assurance that sufficient additional capital could be raised, which could have a material adverse effect on the clients.</p>
Item 8.C	<p><b>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</b></p> <p><u>Investments in Equity Securities</u></p> <p>The clients' investments will generally consist of equity securities and other assets</p>

	<p>that may be affected by business, financial market or legal uncertainties. There can be no assurance that Crescendo will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the clients' activities and the value of its investments. In addition, the value of the clients' portfolios may fluctuate as the general level of interest rates fluctuate.</p> <p><u>Canadian Companies</u></p> <p>Some of the clients' target companies will be organized and engaged in business in Canada. The Canadian authorities and stock exchange regulation of takeover attempts and accumulations of large blocks of outstanding shares of Canadian companies could be detrimental to the efforts of a U.S. partnership seeking management or other major changes in Canadian issuers by delaying or restricting the securities purchases or other proposed transactions.</p>
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## ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

<b>Item 9.A</b>	<p><b>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></b></p> <ol style="list-style-type: none"> <li><b>1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that involved investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;</b></li> <li><b>2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</b></li> <li><b>3. was <i>found</i> to have been involved in a violation of an <i>investment-related</i> statute or regulation; or</b></li> <li><b>4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i>.</b></li> </ol> <p>Not applicable to Crescendo.</p>
<b>Item 9.B</b>	<p><b>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></b></p> <ol style="list-style-type: none"> <li><b>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its</b></li> </ol>

	<p>authorization to do business; or</p> <p>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation and was the subject of an <i>order</i> by the agency or authority</p> <p>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</p> <p>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</p> <p>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</p> <p>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</p> <p>Not applicable to Crescendo.</p>
Item 9.C	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <p>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</p> <p>2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500.</p> <p>Not applicable to Crescendo.</p>

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p><a href="#">Not applicable to Crescendo.</a></p>
Item 10.B	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p><a href="#">Not applicable to Crescendo.</a></p>
Item 10.C	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p><a href="#">Service to Portfolio Companies</a></p> <p><a href="#">Access Persons</a> (as such term is defined in Item 11.A. below) of Crescendo may serve as director, officer or advisor (or in a similar capacity) to the portfolio companies in which the clients invest. Such service may create a conflict of interest between the clients and the portfolio companies. For example, potential conflicts could result when, among other things, Access Persons (i) learn material non-public information about a portfolio company, (ii) are involved in the investment decision-making process for a portfolio company, (iii) accept compensation in connection with their service to a portfolio company and (iv) have duties with respect to the portfolio companies that conflict with the duties</p>

	<p>such Access Persons have with respect to the clients.</p> <p>Crescendo addresses these potential conflicts by requiring Access Persons to obtain the written approval of the Chief Compliance Officer prior to serving as a director, officer, or advisor to a portfolio company and by imposing restrictions on personal trading (as discussed in Item 11 below). Further, Access Persons are required to acknowledge their receipt and understanding of Crescendo's Code (as such term is defined in Item 11.A below), which requires that Access Persons place the interests of clients over their own (or those of Crescendo) and details the procedures to follow in the event of the receipt of material non-public information.</p> <p><u>Service to SPACs</u></p> <p>Certain Access Persons of Crescendo have in the past and may in the future form and serve as executive officers or directors of blank check companies (also known as special purpose acquisition companies ("SPACs")). SPACs are generally formed to effect a merger, capital stock exchange, asset acquisition or other similar business combination with one or more business entities (each a "target business"). Units, shares or warrants of any such SPAC will be registered under the Securities Act of 1933, as amended and listed on a national securities exchange, such as NYSE or NASDAQ. To the extent an Access Person of Crescendo serves as an executive officer or director of a SPAC, Crescendo has in the past and may in the future enter into a contract with the SPAC to provide certain administrative services such as the use of office space, utilities and secretarial support. In exchange for such administrative services, Crescendo will generally be paid a fixed monthly fee.</p> <p>Crescendo's involvement with SPACs may create a potential conflict of interest between Crescendo, its Access Persons and the clients. Such conflicts may include (i) allocation of time, (ii) conflicts with respect to investment opportunities and (iii) the potential receipt of material non-public information. To address these potential conflicts, Crescendo requires employee disclosure of outside business activities. In addition, as noted above, all employees are required to acknowledge their receipt and understanding of Crescendo's Code of Ethics, which requires employees to place the interests of the clients over their own interests or those of Crescendo, and includes a strict insider trading policy. Further, to the extent Crescendo office space is utilized for SPAC functions, Crescendo maintains a confidentiality policy to protect the disclosure of Investor information.</p> <p><u>Side Letters</u></p> <p>Each of the limited partnerships for which the Adviser or its related person serves as general partner or investment manager may enter into agreements, or "side letters", with prospective or existing investors in pooled investment vehicles whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the applicable offering documents of a client.</p>
<b>Item 10.D</b>	<p><b>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest,</b></p>

	<p><b>describe these practices and discuss the material conflicts of interest these practices create and how you address them.</b></p> <p>Not applicable to Crescendo.</p>
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## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11.A	<p><b>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</b></p> <p>The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its employees (collectively referred to as "Access Persons") to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. In addition to compliance with the Adviser’s policies and procedures, all of the Adviser’s personnel are required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Thomas Kobylarz (Chief Compliance Officer) by email at <a href="mailto:tkobylarz@crescendopartners.com">tkobylarz@crescendopartners.com</a>, or by telephone at (212) 319-7676. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser’s Access Persons.</p> <p>The Adviser and its Access Persons may receive gifts, services or other items from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment, which includes notifying the Chief Compliance Officer prior to accept any benefit or gift with a value in excess of \$250. The Chief Compliance Officer may require that any such gifts are returned or that the third party be compensated (by the Adviser or the Access Person, as applicable), for the value of the benefit received.</p> <p>The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser 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 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 to assure that the Adviser is meeting its obligations to its clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.</p>
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Item 11.B	<p>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Examples: (1) You or a <i>related person</i>, as principal, buys securities from (or sells securities to) your <i>clients</i>; (2) you or a <i>related person</i> acts as general partner in a partnership in which you solicit <i>client</i> investments; or (3) you or a <i>related person</i> acts as an investment adviser to an investment company that you recommend to <i>clients</i>.</p> <p>Not applicable to Crescendo.</p>
Item 11.C	<p>If you or a <i>related person</i> invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>The Adviser or its Access Persons invests in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or an Access Person recommends to clients. Such practices present a conflict when, because of the information an Adviser has, the Adviser or its Access Persons are in a position to trade in a manner that could adversely affect the Adviser's clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Adviser's or its Access Person's objectivity, these practices by the Adviser or its Access Persons may also harm clients by adversely affecting the price at which the clients' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: The Adviser requires its Access Persons to preclear all transactions in their personal accounts with the Chief Compliance Officer. Further, to the extent an Access Person receives securities of a portfolio company; such securities will be subject to trading restrictions imposed by the internal policies of such portfolio company (e.g., blackout periods).</p> <p>The Adviser's Access Persons are required to provide quarterly transaction reports and annual holdings reports. The Chief Compliance Officer reviews such reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.</p>
Item 11.D	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>The Adviser or a related person from time to time buys or sells securities for client accounts at or about the same time that the Adviser or a related person buys or sells the same securities for its own account in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser or its related person to the detriment of a client.</p>

## ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <ol style="list-style-type: none"> <li>1. <b>Research and Other Soft Dollar Benefits.</b> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create. <ol style="list-style-type: none"> <li>a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</li> <li>b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution.</li> <li>c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.</li> <li>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</li> <li>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</li> <li>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</li> </ol> </li> </ol> <p>The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer’s compensation. Such factors include, but are not limited to, a broker's ability to effect the transactions, its facilities, reliability and financial responsibility and the provision or payment by the broker of the costs of research and research-related services that benefit the Adviser or its affiliates or the clients. In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer’s compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek</p>
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	<p>the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.</p> <p>The Adviser receives research or other products or services other than execution from a broker-dealer in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto.</p> <p>On an annual basis, the Chief Compliance Officer meets with members of the investment team, as necessary, to discuss and evaluate the services provided by brokers in relation to the commissions that the clients pay such brokers.</p> <p>The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.</p> <p>Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of other client accounts. The Adviser does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.</p> <p>During the Adviser's last fiscal year, as a result of client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired research reports.</p>
Item 12.A.2	<p><b><u>Brokerage for Client Referrals.</u></b> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> <li>a. <b>Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution.</b></li> <li>b. <b>Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</b></li> </ol> <p>From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend investments in these private</p>

	<p>funds as investments to the clients of the broker-dealer. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.</p> <p>On an annual basis, the Chief Compliance Officer will meet with the members of the investment team, as necessary, to discuss and evaluate the services provided by brokers in relation to the commissions that the Funds pay such brokers.</p>
Item 12.A.3	<p><b><u>Directed Brokerage.</u></b></p> <p>a. If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</p> <p>b. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</p> <p>Not applicable to Crescendo.</p>
Item 12.B	<p><b>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</b></p> <p>If the Adviser determines to buy or sell the same security on behalf of more than one client, it may, but shall be under no obligation to, aggregate, to the extent permitted by applicable law and regulations, the securities to be purchased or sold in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, the Adviser will place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all relevant clients; provided, however, that trading shall be reviewed periodically to ensure that clients are not systematically disadvantaged by this policy. The Adviser may take into account factors such as the relative amounts of capital available for new investments, relative exposure to short-term market trends and the investment programs and portfolio positions of the clients. The Adviser will determine the appropriate number of shares to place with brokers and will select the appropriate</p>

	brokers based upon the Adviser's determination of who will likely provide best execution.
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## ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A	<p><b>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</b></p> <p>Each client account is reviewed by the portfolio managers of the Adviser, on an ongoing basis to determine whether securities positions should be maintained in light of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account.</p>
Item 13.B	<p><b>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review.</b></p> <p>Please see Item 13.A. The accounts are under continuous review.</p>
Item 13.C	<p><b>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</b></p> <p>A client's investors receive reports from the client pursuant to the terms of each client's offering documents or as otherwise described in the offering documents of the client.</p>

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable to Crescendo.</p>
Item 14.B	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Not applicable to Crescendo.</p>



## ITEM 15 – CUSTODY

**If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.**

Affiliates of the Adviser are deemed to have custody of client assets due to each serving as a general partner to a limited partnership and each intend to comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, by meeting the conditions of the pooled vehicle annual audit provision.

## ITEM 16 – INVESTMENT DISCRETION

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

The Adviser provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority. Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion. The Adviser has the authority to determine the securities or other financial instruments and the amount of the securities or other financial instruments to be purchased or sold for client accounts.

Each of the limited partnerships for which the Adviser or its related person serves as general partner or investment manager may enter into agreements, or "side letters", with prospective or existing investors in pooled investment vehicles whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the applicable offering documents of a client.

## ITEM 17 – VOTING CLIENT SECURITIES

<p><b>Item 17.A</b></p>	<p><b>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</b></p> <p>To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.</p> <p>The Adviser's clients are not permitted to direct their votes in a particular solicitation. If a material conflict of interest between the Adviser and a client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in its proxy voting policies and procedures is in the best interests of the client or take some other appropriate action. Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting Thomas Kobylarz by email at tkobylarz@crescendopartners.com, or by telephone at (212) 319-7676.</p>
<p><b>Item 17.B</b></p>	<p><b>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</b></p> <p>Not applicable to Crescendo.</p>

## ITEM 18 – FINANCIAL INFORMATION

Item 18.A	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"><li>1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.</li><li>2. Show parenthetically the market or fair value of securities included at cost.</li><li>3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.</li></ol> <p>Not applicable to Crescendo.</p>
Item 18.B	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>Not applicable to Crescendo.</p>
Item 18.C	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable to Crescendo.</p>