

**PART 2A OF FORM ADV**

**FIRM BROCHURE**

**Nyes Ledge** | *Capital Management, LLC*

**NYES LEDGE CAPITAL MANAGEMENT, LLC**

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**MARCH 27, 2017**

**This Brochure provides information about the qualifications and business practices of Nyes Ledge Capital Management, LLC (“Nyes Ledge”). If you have any questions about the contents of this Brochure, please contact Tara Inglese at 617-350-5083 or [tinglese@nyesledge.com](mailto:tinglese@nyesledge.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority, and references in this Brochure to Nyes Ledge as a “Registered Investment Adviser” are not intended to imply a certain level of skill or training.**

**Additional information about Nyes Ledge Capital Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**This Brochure is not an offering or solicitation of interests in the funds managed by Nyes Ledge or its affiliates.**

## **ITEM 2 – MATERIAL CHANGES**

Nyes Ledge Capital Management, LLC's registered with the SEC as an investment adviser on March 30, 2012. This is an annual amendment of Nyes Ledge Capital Management, LLC's Brochure that was last updated on August 9, 2016. This update includes the following material changes:

- Item 5: The management fees have been updated to reflect changes made to the Funds' offering documents.
- Item 15: BNY Mellon has replaced Federated International Fund Plc., (BNY Mellon Trust Company (Ireland) Limited) as a custodian for the Offshore Fund.

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## ITEM 4 – ADVISORY BUSINESS

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| <p><b>Item 4.A</b></p> | <p><b>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</b></p> <p><b>Notes:</b> (1) For purposes of this item, your principal owners include the <i>persons</i> you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.</p> <p>This Brochure is applicable to Nyes Ledge Capital Management, LLC (“Nyes Ledge”), a Delaware limited liability company which is registered as an investment adviser with the U.S. Securities &amp; Exchange Commission (“SEC”). Nyes Ledge was formed in January 2005 and has provided investment advisory services since April 1, 2005.</p> <p>Nyes Ledge offers investment advisory services through three private investment funds:</p> <ul style="list-style-type: none"> <li>○ Nyes Ledge Capital Partners, LP, a Delaware Limited Partnership (the “Onshore Fund”);</li> <li>○ Nyes Ledge Capital Offshore Fund, Ltd., a Cayman Islands exempted fund (the “Offshore Fund”); and</li> <li>○ Nyes Ledge Capital Horizon Fund, Ltd., a Cayman Islands exempted fund (the “Horizon Fund”)</li> </ul> <p>Collectively, the Onshore Fund and the Offshore Fund are referred to as the “Flagship Funds”. The Onshore Fund, Offshore Fund, and Horizon Fund are referred to together in this Brochure as the “Funds” or “Advisory Clients”. “Investors” are investors in or the beneficial owners of interests or shares in the Funds.</p> <p>Nyes Ledge does not presently, but may at some point in the future, also provide discretionary investment advisory services to one or more separately managed accounts.</p> <p>Brendan McCarthy is the principal owner of Nyes Ledge Capital Management, LLC.</p> |
| <p><b>Item 4.B</b></p> | <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</b></p>   |

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|          | <p><b>offer, and disclose that your advice is limited to those types of investments.</b></p> <p>Nyes Ledge presently provides investment advisory services solely to the Funds. The Funds seek to produce attractive absolute and relative returns that exhibit moderate volatility and a low correlation to the overall stock and bond markets using a multi-manager or fund-of-funds investment strategy. As such, the Funds are primarily invested in several private investment entities (the “Portfolio Funds”). Portfolio Funds are managed by select professional managers (“Fund Managers”) who have, what Nyes Ledge believes to be, above-average investment histories and/or prospects, and who focus on investment strategies that typically include long/short equities, event-driven strategies, intra-capital arbitrage, distressed company investing, convertible arbitrage and merger arbitrage.</p> <p>The Flagship Funds typically allocate assets among approximately 20-25 core Portfolio Funds and 5-15 “farm team” Portfolio Funds. The Horizon Fund typically allocates assets among approximately 12-15 core Portfolio Funds and 0-5 “farm team” Portfolio Funds. Furthermore, it is noted that, by investing in fewer, moderately more aggressive Portfolio Funds than the Flagship Funds, the risk/reward profile of the Horizon Fund is expected to be moderately higher.</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>Nyes Ledge generally does not tailor advisory services to the individual needs of Investors. Nyes Ledge provides investment advisory services to the Funds based upon the criteria (investment strategies, investment restrictions, etc.) as set forth in detail in the Funds’ offering documents. Individual Investors do not have the ability to impose restrictions on Nyes Ledge’s investments in certain securities or types of securities.</p> <p>The Funds have entered into agreements with certain Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the given Fund’s offering documents (“Side Letters”) and may continue to do so in the future. For example, such terms and conditions may provide for special rights to make future investments in a Fund, other investment vehicles or managed accounts; special withdrawal rights relating to frequency or notice; a reduction or rebate in fees to be paid by the Investor and/or other terms; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other Investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the given Fund and such Investors. The modifications are solely at the discretion of the given Fund and may, among other things, be based on the size of the Investor's investment in the Fund or affiliated investment entity, an agreement by an Investor to maintain such investment in the Fund for a significant period of time, or</p> |

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|                 | other similar commitment by an Investor to the given Fund.  |
| <b>Item 4.D</b> | <p>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.</p> <p>Not applicable. Nyes Ledge does not participate in wrap fee programs.</p>  |
| <b>Item 4.E</b> | <p>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.</p> <p><b>Note:</b> Your method for computing the amount of “<i>client</i> assets you manage” can be different from the method for computing “assets under management” required for Item 5.F in Part 1A. However, if you choose to use a different method to compute “<i>client</i> assets you manage,” you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your “as of” date must not be more than 90 days before the date you last updated your <i>brochure</i> in response to this Item 4.E</p> <p>Nyes Ledge manages \$789,270,000 on a discretionary basis as of December 31, 2016. Nyes Ledge does not presently manage any assets on a non-discretionary basis.</p> |

## ITEM 5 – FEES AND COMPENSATION

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| 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><b>Note: If you are an SEC-registered adviser, you do not need to include this information in a <i>brochure</i> that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.</b></p> <p>The Funds offer private investment fund interests/shares only to certain qualified investors and admission to the Funds is not open to the general public. Private investment fund interests/shares are sold only to qualified investors who are “Accredited Investors” under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and “Qualified Purchasers”, as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended.</p> <p>Each Fund pays Nyes Ledge, in exchange for its investment advisory services, a quarterly management fee (the “Management Fee”). The Management Fee will be paid quarterly in advance, and will be calculated based on the net assets of the Funds as of the beginning of each quarter.</p> <p>Nyes Ledge offers several series of Fund interests/shares with each series carrying a different Management Fee and lockup period. The Management Fee attributable to each Investor will depend on the series in which their interests/shares are invested as follows:</p> <ul style="list-style-type: none"> <li>• Sub-Class/Series A: subject to management fee of 0.8% per annum with rolling one-year lockup period;</li> <li>• Sub-Class/Series B: subject to management fee of 0.7% per annum with rolling two-year lockup period;</li> <li>• Sub-Class/Series C: subject to management fee of 0.6% per annum with rolling three-year lockup period; and</li> <li>• Sub-Class D (applicable to the Horizon Fund only): subject to management fee of 0.8% per annum with rolling one-year lockup period, Sub-Class D shares are denominated in British Sterling and hedged from U.S. dollars to British Sterling.</li> </ul> <p>Nyes Ledge, in its sole discretion, may, in effect, waive or reduce the Management Fee to be paid by Investors that are members, principals, employees or affiliates of Nyes Ledge, relatives of such persons and certain large or strategic investors.</p> <p>Please refer to the respective Fund’s offering documents for a complete description of that Fund’s fee schedule.</p> |
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| <p><b>Item 5.B</b></p> | <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>Nyes Ledge deducts applicable fees from each Investor's capital account. Investors do not have the ability to choose to be billed directly for fees incurred.</p> <p>Nyes Ledge generally deducts the Management Fee applicable to each Investor from such Investor's capital account at the beginning of each quarter (i.e., quarterly in advance). If additional contributions are made to a Fund during the quarter, the Management Fee will be prorated and charged at the time of such contribution. In the event the Fund is not in existence for the entire calendar quarter, the Management Fee for such quarter shall be prorated.</p> <p>Nyes Ledge, in its sole discretion, may, in effect, waive or reduce the Management Fee for Investors that are members, principals, employees or affiliates of Nyes Ledge, relatives of such persons and certain large or strategic Investors.</p> <p>At this time, Nyes Ledge does not charge performance based fees.</p>  |
| <p><b>Item 5.C</b></p> | <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>The Funds' offering documents set forth the fees and expenses to be paid by Investors. Prospective Investors should carefully review the offering documents and a Fund's governing documents prior to investing in a Fund.</p> <p>Nyes Ledge will be responsible for and shall pay, or cause to be paid, all ordinary office overhead expenses, which include rent, supplies, secretarial expenses, stationery, charges for furniture and fixtures and compensation of analysts and other personnel. All other expenses are borne by the Funds, including legal, accounting, auditing and other professional expenses, fees paid to the administrator, research expenses (including research-related travel), investment expenses such as commissions, interest on any indebtedness, custodial fees, bank service fees and other expenses related to the purchase, sale or transmittal of Fund assets (including fees paid to Fund Managers). Organizational expenses of the Funds were paid by the Funds and have been amortized over a period of 60 months from the date a Fund commenced operations.</p> |
| <p><b>Item 5.D</b></p> | <p><b>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.</b></p>  |



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|                   | <p>Given that Nyes Ledge imposes a Management Fee which is payable in advance, following is summary information about the withdrawal rights applicable to the Funds.</p> <p>Subject to the Investor's interest/share series and applicable lock-up terms an Investor desiring to make a withdrawal must request such withdrawal by written notice, which must actually be received by Nyes Ledge at least 90 days prior to the withdrawal date. Given the Funds' lock-up and annual liquidity terms, it is highly unlikely that a fee refund would become necessary. However, in the event that a fee refund is necessary in light of withdrawal timing and fees already paid in advance, a fee refund would be calculated on a pro-rata basis.</p> <p>Please refer to a Fund's offering documents for a complete description of that Fund's respective withdrawal rights.</p> |
| <b>Item 5.E</b>   | <p><b>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.</b></p> <p>Not applicable.</p>   |
| <b>Item 5.E.1</b> | <p><b>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.</b></p> <p>Not applicable.</p>   |
| <b>Item 5.E.2</b> | <p><b>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.</b></p> <p>Not applicable.</p>  |
| <b>Item 5.3.3</b> | <p><b>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.</b></p> <p>Not applicable.</p>   |
| <b>Item 5.E.4</b> | <p><b>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</b></p> <p><b>Note: If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer</b></p>  |

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|  | <p><b>registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes</b></p> <p>Not applicable.</p> |
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## 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.

As described in Item 5.B, above, Nyes Ledge does not accept performance-based compensation.

## 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.**

As described in Item 4.A, Nyes Ledge offers investment advisory services to the three private investment Funds (i.e., pooled investment vehicles) using a “fund-of-funds” strategy.

Nyes Ledge imposes a \$1 million minimum initial investment amount for Fund Investors. The initial investment minimums for the Funds are subject to reduction at the discretion of Nyes Ledge.

As explained in Item 5.A above, Investors must meet certain investor suitability requirements.

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

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| 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 Funds attempt to achieve their stated investment objectives by investing primarily with a diversified group of Portfolio Funds that Nyes Ledge believes to be the best available, while carefully seeking to diversify across varying styles and strategies. Strategies employed by Fund Managers typically will include long/short equities, event-driven strategies, intra-capital arbitrage, distressed company investing, convertible arbitrage and merger arbitrage.</p> <p>Nyes Ledge employs the same fundamental three-step approach to Portfolio Fund selection that its principals have followed for the past decade:</p> <p><b><u>1. Determine the economic basis of return for a particular asset class or market segment.</u></b> The objective of most hedge fund managers is to generate superior returns that are also largely independent of overall stock and bond market movements. To achieve this end many managers focus on areas of the market where securities are inefficiently priced either on an absolute basis or relative to other comparable securities. Often the issuers of these securities fall into two general areas. First, companies that are involved in “events”, including mergers, divestitures, spin-offs, litigation, bankruptcy or restructurings. Second, securities that are neglected, misunderstood or avoided by traditional investors due to their complexity or illiquidity. Hedge fund managers that are willing to focus on these less crowded areas of the market often have a greater probability of adding value and generating returns that are driven more by security selection (alpha) than by the overall direction of the stock or bond markets (beta).</p> <p>Nyes Ledge believes that inefficiencies persist at the “bottom-up” or security selection level and is skeptical of strategies that attempt to add value from the “top-down”. These less attractive strategies include macro traders, market timing, tactical asset allocation and CTAs (Commodity Trading Advisors). The Funds will also avoid investing with Fund Managers in most trading focused strategies including many styles of fixed income arbitrage and equity trading that often struggle to make the transition from Wall Street proprietary trading desks to a small independent investment company.</p> <p><b><u>2. Identify appropriate strategies designed to exploit the targeted inefficiency.</u></b> Nyes Ledge will focus on strategies that attempt to capture value at the security level and will attempt to identify Fund Managers that are among the best security analysts in their respective fields. In addition,</p> |
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|          | <p>Nyes Ledge will seek to invest with Fund Managers with strategies and portfolio management techniques (position size, leverage, net exposure and hedging) that magnify rather than detract from their security analysis. For example, a long/short equity fund that allows its net market exposure to fluctuate within a large range will often experience returns that are driven more by market timing rather than by security analysis.</p> <p><b><u>3. Source organizations that are properly structured to implement the identified strategies.</u></b> Lastly, Nyes Ledge will seek to find hedge fund organizations that have appropriate attributes (staff, asset size, partnership terms, ownership, back office, investor base) to execute their investment and business plans. For example, due to the illiquidity of many distressed investments, a stable investor base with an appropriate lockup provision is beneficial.</p> <p>The Funds seek to hold well-balanced portfolios of strategies through various Fund Managers. Understanding the fact that few hedge fund strategies are truly “market neutral” and in fact sometimes exhibit a high correlation to the stock and bond markets during times of market stress, helps Nyes Ledge attempt to balance these residual market exposures. Using both statistical and fundamental analysis, the Funds’ portfolios are built with a blend of Fund Managers employing a variety of strategies, styles and market exposures. Depending upon market conditions, approximately 40-60% of a Fund’s assets will be invested with long/short equity Fund Managers while 40-60% of the portfolio are invested with Fund Managers that focus on other areas including event-driven strategies, intra-capital arbitrage, distressed company investing, convertible arbitrage and merger arbitrage. To avoid over-diversification, however, at least 80% of the Flagship Funds will be invested with no more than 25 “core” managers. The remainder of a Flagship Fund’s assets may be allocated to certain “farm team” managers that exhibit strong potential but are typically newer firms or firms with more focused strategies. Similarly, at least 80% of the Horizon Fund’s assets will be invested with no more than 15 “core” Fund Managers with the remainder of the Horizon Fund’s assets being allocated to certain “farm team” Fund Managers that exhibit strong potential but are typically newer firms or firms with more focused strategies.</p> <p>It is noted that, by investing in fewer, moderately more aggressive Portfolio Funds than the Flagship Funds, the risk/reward profile of the Horizon Fund is expected to be moderately higher.</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>  |

### **Multiple Fund Managers**

Because Nyes Ledge invests with underlying Fund Managers who make their trading decisions independently, it is theoretically possible that one or more of such Fund Managers may, at any time, take positions that may be opposite of positions taken by other Fund Managers. It is also possible that the underlying Portfolio Funds retained by the Funds may on occasion be competing with each other for similar positions at the same time. Also, a particular Fund Manager may take positions for its other clients that may be opposite to positions taken for the underlying funds in which Nyes Ledge invests.

### **Lack of Diversification**

Although Nyes Ledge will seek to obtain diversification by investing with a number of different Fund Managers with different strategies or styles, it is possible that several Fund Managers may take substantial positions in the same security or group of securities at the same time. This possible lack of diversification may subject the investments of the Funds to more rapid change in value than would be the case if the assets of the Funds were more widely diversified.

### **Performance-Based Compensation Arrangements with Fund Managers**

The Funds will typically enter into arrangements with underlying Portfolio Funds which provide that Fund Managers be compensated, in whole or in part, based on the appreciation in value (including unrealized appreciation) of the account during specific measuring periods. Such performance fee arrangements may create an incentive for such Fund Managers to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. Many Fund Managers will typically charge the Funds a 20% incentive fee and a 1 - 2% asset-based fee. The Funds may be required to pay an incentive fee to the underlying Fund Managers who make a profit for the Funds in a particular fiscal year even though the Funds may in the aggregate incur a net loss for such fiscal year.

### **Activities of Fund Managers**

Although Nyes Ledge will seek to select only Fund Managers which will invest the Funds' assets with the highest level of integrity, Nyes Ledge has no control over the day-to-day operations of any of the selected Fund Managers. As a result, there can be no assurance that the conduct of every Fund Manager engaged by the Funds will conform to these standards.

### **Limits on Information**

Nyes Ledge will select Portfolio Funds based upon the factors described in Item 8.A above. Nyes Ledge will request detailed information from each Portfolio Fund regarding the Portfolio Fund's historical performance and investment strategy. Knowledge of profit and loss results from prior investing experience as well as personal account data may be used in place

of any actual “track record” reflecting the past performance of the underlying fund in which Nyes Ledge may allocate a Fund’s assets. However, Nyes Ledge may not always be provided with detailed information regarding all the investments made by the Portfolio Funds because certain of this information may be considered proprietary information by Portfolio Funds.

**Lack of Operating History of Fund Managers**

Some of the Fund Managers retained by Nyes Ledge may be new Fund Managers with a limited performance history in operating their own management company (although such Fund Managers typically will have significant prior experience in the securities industry). Therefore, such investments may involve greater risks than investment with more established Fund Managers.

**Market Risks**

The profitability of a significant portion of a Fund’s investment program depends to a great extent upon the ability of the Fund Managers with which a Fund invests to correctly assess the future course of price movements of specific securities and other investments. There can be no assurance that the Fund Managers will be able to predict accurately these price movements. The securities markets have in recent years been characterized by great volatility and unpredictability. With respect to the investment strategy utilized by a Fund’s Fund Managers, there is always some, and occasionally a significant, degree of market risk.

**Lack of Liquidity of Fund Assets, Valuation**

The Funds assets may, at any given time, include securities and other financial instruments or obligations which are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to accurately value any such investments. Further, because of overall size, concentration in particular markets and maturities of positions held by the Portfolio Funds with which a Fund invests, the value at which its investments can be liquidated may differ, sometimes significantly, from the interim valuations arrived at by the Fund Managers. In addition, the timing of liquidations may also affect the values obtained on liquidation. Securities to be held by the Portfolio Funds may routinely trade with bid-ask spreads that may be significant. At times, third-party pricing information may not be available for certain positions held by the Portfolio Funds. In addition, the Portfolio Funds may hold loans or privately placed securities for which no public market exists.

**Limited Withdrawal Rights**

Because of the limitations on withdrawals and the fact that a Fund’s interests are not tradable, and furthermore due to the fact that the Funds may invest with Portfolio Funds that do not permit frequent withdrawals



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|          | <p>including Portfolio Funds that also have "lockup" periods or otherwise do not permit withdrawals for significant periods of time, an investment in a Fund is a relatively illiquid investment. A subscription for Fund interests should be considered only by persons financially able to maintain their investment and who can afford a substantial loss of their investment.</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><b><u>Risks of the Multi-Manager Strategy and Technique</u></b></p> <p>Nyes Ledge will not have any control over the investments that Fund Managers make. Nyes Ledge may, however, reallocate a Fund's investments among the Portfolio Funds, but Nyes Ledge's ability to do so may be constrained by the withdrawal limitations imposed by the Portfolio Funds. These withdrawal limitations will prevent a Fund from reacting rapidly to market changes should a Portfolio Fund fail to effect portfolio changes consistent with such market changes and the demands of Nyes Ledge. In addition, at times when Portfolio Funds offer limited availability to investors, Nyes Ledge may allocate such limited availability among and between multiple entities managed by it, resulting in a Fund portfolio which differs from the portfolio which might result if Nyes Ledge only managed one Fund. The multi-manager approach may also limit Nyes Ledge's access to information about a Fund's investments on a daily or regular basis. Investors in the various underlying Portfolio Funds typically have no right to demand such information of the Fund Managers. Nevertheless, Nyes Ledge's investment team uses its best efforts to periodically gather quantitative and qualitative information from the Fund Managers.</p> <p>The Portfolio Funds will trade wholly independently of each other and, at times, may hold economically offsetting positions. To the extent that the Portfolio Funds do, in fact, hold such positions, the Funds, considered as a whole, cannot achieve any gain or loss despite incurring expenses. In addition, a Fund Manager may be compensated based on the performance of its portfolio. Accordingly, a particular Fund Manager may receive incentive compensation in respect of its portfolio for a period even though the Funds' overall portfolios depreciated during such period.</p> <p><b><u>Non-U.S. Securities</u></b></p> <p>Investing in securities of non-U.S. governments and companies which 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 United States Government or United States companies. These considerations include 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 United States, higher transaction costs, less</p> |

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**

Investments in securities or other instruments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. 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. Portfolio Funds with which the Funds invest may try to hedge these risks by investing in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts or similar instruments, or any combination thereof, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

### **Currency Risk specific to the Horizon Fund**

It is currently anticipated that the Horizon Fund will invest all of its assets with Portfolio Funds that operate investment funds denominated in U.S. dollars. As described in Item 5.A, above, Sub-Class D shares are denominated in British Sterling and hedged from U.S. Dollars to Sterling. Because the operational currency of the Sub-Class D shares is a currency other than the U.S. dollar, the Horizon Fund may engage systematically in currency hedging activities on behalf of the Sub-Class D shares in an attempt to hedge exposure from the dollar back to British Sterling. The Horizon Fund systematically engages in currency hedging by executing forward contracts on behalf of its Sub-Class D Investors in the Horizon Fund for the sole purpose of attempting to hedge exposure from U.S. dollars to British Sterling. The forward contracts represent future commitments to buy British Sterling at specified dates, typically one month from the time the contract is executed. In general, Sub-Class D shares will be hedged from US Dollars to Sterling by buying British Sterling forward equal to the value of Sub-Class D shares on the last day of the prior month (or a similar hedging strategy). Nyes Ledge may use other hedging instruments, such as options and swaps, or a combination of instruments in the future. In all cases, the sole purpose of the hedges will be to hedge U.S. dollar exposure to British Sterling on behalf of Sub-Class D Investors in the Horizon Fund.

All profits and losses associated with this activity will be allocated exclusively to Sub-Class D Investors. Accordingly, in addition to investing in the Horizon Fund's portfolio of underlying investment funds, a portion of the assets attributable to the Sub-Class D shares will be utilized to engage in such currency hedging. To the extent any such hedges are profitable during any month or quarter, the profits may be invested at the

end of such month or quarter in the underlying Portfolio Funds. Conversely, if the currency hedging generates losses in any month or quarter, the Horizon Fund may essentially redeem a portion of the Sub-Class D shares' interest in the Horizon Fund to cover such losses. While it is anticipated that the Horizon Fund will generally try to hedge the dollar exposure of Sub-Class D shares back to the British Sterling, there can be no assurance that such hedges will be effective. Further, any Investor who subscribes for Sub-Class D shares shall bear the cost of converting British Sterling to U.S. dollars upon acceptance by the Horizon Fund of the subscription payment for the Sub-Class D shares and any Investor redeeming Sub-Class D shares shall bear the expense of converting U.S. dollars to Sterling upon payment of such redemption.

#### **Debt Securities**

The Portfolio Funds with which the Funds invest may invest in unrated or low-grade debt securities which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Portfolio Funds may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Portfolio Funds may invest in debt securities that are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

#### **High-Yield Securities**

The Portfolio Funds with which the Funds invest may invest in "high-yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

#### **Small to Medium Cap Stocks**

At any given time, the Portfolio Funds with which the Funds invest may

have significant investments in smaller-to-medium sized companies with market capitalizations of less than \$1 billion. These securities often involve greater risks than the securities of larger, better-known companies.

**Event Driven Risk**

The Portfolio Funds with which the Funds invest may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Portfolio Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Portfolio Funds may invest, there is a potential risk of loss by the Portfolio Fund of its entire investment in such companies.

**Merger Arbitrage**

The Portfolio Funds with which the Funds invest may employ merger arbitrage strategies, which are subject to a variety of significant risks, the most basic such risk being so-called “event risk”, i.e., the risk that the transaction in question, whether a merger, acquisition, tender offer, spinoff, restructuring or other corporate event, will simply fail to be consummated as contemplated or will be delayed or modified in a manner detrimental to arbitrageurs in the transaction. Numerous factors, including market or industry developments, economic factors, regulatory clearance requirements and management or workforce issues, can cause an announced transaction to be abandoned, delayed or modified. In addition, “spreads” on some merger opportunities may be initially small or may be impacted in a manner that precludes investment or causes a position to be limited in profitability or become unprofitable. Merger strategies can also be adversely affected by costs of borrowed funds, hedging issues, including the ability or inability to hedge and the attendant costs, and the strength of competing investors in the marketplace.

**Distressed/Bankruptcy Investing**

The Portfolio Funds with which the Funds invest may invest in unrated or “distressed” securities, i.e., securities of companies that are experiencing significant financial or business difficulties, including companies involved in debt restructurings or in bankruptcy or other reorganization and liquidation proceedings. Portfolio Funds may also purchase financial instruments of or make direct loans to companies of low credit quality or purchase loans that are in default and may also purchase trade claims of suppliers and others, both within or outside of insolvency or reorganization

proceedings. Although such investments may result in significant returns, they typically involve a high degree of risk. Restructurings or reorganizations may fail to be completed or be substantially delayed and expected returns on their securities may never materialize. Nonperforming loans, by their nature, may prove uncollectable or not yield appreciable returns for considerable periods of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in such companies, loans or claims is unusually high. There is no assurance that Fund Managers will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or rehabilitation of a distressed issuer or adequate realization upon such loans and claims. A Portfolio Fund's performance may be substantially impaired by unsuccessful distressed or low credit investments.

### **Convertible Arbitrage Risk**

The Portfolio Funds with which the Funds invest may employ a convertible arbitrage strategy. Convertible arbitrage generally involves acquiring convertible securities and selling short a corresponding amount of the underlying equity security, although this relationship may be reversed. While this investment strategy is considered to be relatively "market neutral", there are many associated risks that can affect the results of this strategy. Such risks include, but are not limited to, the following: (i) dramatically rising interest rates or escalating market volatility may adversely affect the relationship between securities; (ii) convertible securities tend to be significantly less liquid and have wider bid/offer spreads making it more difficult to enter and profitably exit such trades; (iii) convertible arbitrage involves an inherently imperfect and dynamic hedging relationship and must be adjusted from time to time (the failure to make timely or appropriate adjustments may limit profitability or lead to losses); (iv) convertible arbitrage involves selling securities short (see "Short Sales" below); (v) a material change in the dividend policy of the underlying common equity may adversely affect the prices of the securities involved; (vi) changes in the issuer's credit rating may adversely affect the prices of the securities involved; and (vii) unexpected merger or other extraordinary transactions affecting the convertible security or common equity may adversely affect the prices of the securities involved.

### **Emerging Markets**

The Portfolio Funds with which the Funds invest may invest in emerging market securities. Investing in emerging market securities involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (a) less liquidity of securities markets; (b) currency exchange rate fluctuations; (c) potentially higher rates of inflation (including hyper-inflation); (d) a higher degree of governmental involvement in and control over the economies; (e) differences in auditing and financial reporting standards which may result in the unavailability of material information

about economics and issuers; (f) less extensive regulatory oversight of securities markets; (g) longer settlement periods for securities transactions; (h) less stringent laws regarding the fiduciary duties of officers and directors and protection of investors; and (i) certain consequences regarding the maintenance of portfolio securities and cash with sub-custodians and securities depositories in emerging market countries.

### **Short Sales**

Portfolio Funds with which the Funds invest may engage in the "short selling" of securities. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on a fund's portfolio. 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 Portfolio Fund 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 Portfolio Funds may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

### **Credit Default Swaps**

Certain Fund Managers may enter into credit default swap agreements. The "buyer" in a credit default swap contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred (a "credit event") in return for a contingent payment upon the occurrence of a credit event with respect to the underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay, obligation acceleration or modified restructuring. A Fund Manager may be either the buyer or seller in the transaction. As a seller, the Fund Manager receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the Fund Manager, as seller, typically must pay the contingent payment to the buyer, which is typically the "par value" (full notional value) of the reference obligation. The contingent payment may either be a cash settlement or by physical delivery of the reference obligation in return for payment of the face amount of the obligation. If a Fund Manager is a buyer and no credit event occurs, the Fund Manager will lose its investment and recover nothing. However, if a credit event occurs, the Fund Manager, as buyer, will receive the full notional value for a reference obligation that may have little or no value.

Credit default swap agreements may involve greater risks than those associated with a direct investment by the Fund Manager had invested in

the reference obligation directly. Credit default swap agreements are subject to general market risk, liquidity risk and credit risk. As noted above, if a Fund Manager is a buyer and no credit event occurs, it will lose its investment. In addition, the value of the reference obligation received by a Fund Manager as a seller if a credit event occurs, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Fund Manager.

### **Leverage**

The Funds may use leverage to fund capital requirements, which may include funding investments with Fund Managers until subscriptions are received, paying withdrawals which would otherwise result in the premature liquidation of investments and/or paying fees and expenses. The Funds may pledge their assets as security against any such borrowing. However, the use of leverage exposes the Funds to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Funds not borrowed to make the investments, (ii) margin calls or interim margin requirements may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the applicable Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Fund.

The concept of leverage involves the use of debt to finance purchases of securities. The Funds have the ability to borrow funds "on margin" from brokers for the purchase of securities. The Funds face risks due to leverage in the event that its securities decline in value. In this event, the Funds could be subject to a "margin call" or "collateral call," pursuant to which the Funds must either deposit additional funds with the lender, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value.

In an unsettled credit environment, Nyes Ledge may find it difficult or impossible to obtain leverage for a given Fund. In such event, the Fund could find it difficult to fund capital requirements. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Nyes Ledge being forced to unwind a Fund's positions quickly and at prices below what Nyes Ledge deems to be fair value for such positions. In addition, the Fund Managers with which the Funds currently invest or may invest in the future also have the ability to use leverage, in which case they would be subject to the same aforementioned risks in addition to other risks depending on the extent of their use of leverage. To the extent that Portfolio Funds trade in options, futures, options on futures, swaps, swaptions and other "synthetic" or derivative financial instruments, it should be noted that they inherently contain much greater leverage than a non-margined purchase of the underlying security, commodity or



instrument. This is due to the fact that generally only a very small portion (and in some cases none) of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

**Custody and Prime Brokerage Risk**

There are risks involved in dealing with the custodians or prime brokers who settle trades. The Fund Managers are authorized to maintain custody accounts with prime brokers (the “Prime Brokers”). It is expected that all securities and other assets deposited with Prime Brokers will be clearly identified as being assets of the applicable Fund Manager, and hence the Fund Managers should not be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation and there may be practical or timing problems associated with enforcing the Fund Managers’ rights to their assets in the case of an insolvency of any such party. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of fund assets, the Fund Managers would not incur losses due to their assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The Fund Managers and/or the Prime Brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Fund Managers. The Prime Brokers may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Fund Managers as a result of the bankruptcy or insolvency of any such sub-custodian. The Fund Managers may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the Fund Managers. Under certain circumstances, including certain transactions where the Fund Managers’ assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime broker, or where the Fund Managers’ assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Fund Managers and hence the Fund Managers could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the Fund Managers to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the Fund Manager may be



subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing the Fund Managers' rights to its assets in the case of a bankruptcy or insolvency of any such party. In addition, the Funds may maintain a custody account with prime brokers, in which case it would be subject to the same aforementioned risks.

#### **Counterparty Risk**

To the extent the Portfolio Funds retained by the Funds invest in swaps, "synthetic" or derivatives instruments, repurchase agreements, certain types of option or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Portfolio Funds take the risk of nonperformance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Under certain conditions, the Fund Managers could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, the Fund Managers could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Fund Managers do business, or to which securities have been entrusted for custodial purposes.

#### **Unrelated Business Taxable Income for Certain Tax-Exempt Investors**

Qualified pension, profit-sharing and other retirement plans, Keogh plans, individual retirement accounts and other tax-exempt investors (including foundations and endowments) may realize "unrelated business taxable income" as a result of an investment in a Fund since it is anticipated that Portfolio Funds will employ leverage. Any tax-exempt investor should consult its own tax adviser with respect to the effect of an investment in a Fund on its own tax situation.

#### **Side Letters**

As explained in Item 4.C above, the Funds have entered into agreements and may in the future enter into agreements with certain Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the given Fund's offering documents and may continue to do so in the future. For example, such terms and conditions may provide for special rights to make future investments in a Fund, other investment vehicles or managed accounts; special withdrawal rights relating to frequency or notice; a reduction or rebate in fees to be paid by the Investor and/or other terms; rights to receive reports from the

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|  | <p>Fund on a more frequent basis or that include information not provided to other Investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the given Fund and such Investors. The modifications are solely at the discretion of the given Fund and may, among other things, be based on the size of the Investor's investment in the Fund or affiliated investment entity, an agreement by an Investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an Investor to the given Fund.</p> <p><b><u>No Separate Counsel</u></b><br/> Seward &amp; Kissel, LLP will act as counsel to Nyes Ledge and the Onshore Fund, and Ogier will act as counsel to the Offshore Fund and Horizon Fund. No separate counsel has been retained to act on behalf of Investors.</p> <p><b><u>Absence of Regulatory Oversight</u></b><br/> While the Funds may be considered similar to investment companies, the Funds do not intend to register as such under the Investment Company Act of 1940, as amended, in reliance upon certain exemptions available to privately offered investment companies, and, accordingly, the provisions of that Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be afforded to the Funds or the Investors.</p> <p><b><u>Conflicts of Interest</u></b><br/> Nyes Ledge serves as the General Partner and Investment Manger of the Onshore Fund and as the Investment Manager for the Offshore Fund and the Horizon Fund. The Offshore Fund has an investment strategy and investment policy substantially similar to that of the Onshore Fund. Accordingly, the Onshore Fund and the Offshore Fund may co-invest in certain Fund Managers.</p> <p>Notwithstanding the foregoing, Nyes Ledge anticipates that the Horizon Fund will be more concentrated and its Fund Managers moderately more aggressive. Further, Nyes Ledge does not anticipate Fund Manager overlap between the Flagship Funds and the Horizon Fund. Periodically, however, Nyes Ledge may decide that a Fund Manager is more appropriate for the Horizon Fund versus the Flagship Funds (or vice versa) and, in effect, transfer the Fund Manager from one fund to another. During this period of transition, there may be overlap between the Horizon Fund and the Flagship Funds but these events will be infrequent and only temporary in nature.</p> <p>To the extent a particular investment is suitable for more than one of the Nyes Ledge Funds, such investments will be allocated between the Funds</p> |
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|  | <p>pro rata based on assets under management or in some other manner which Nyes Ledge determines is fair and equitable under the circumstances to all Advisory Clients.</p> <p>In addition, purchase and sale transactions (including swaps) may be effected between the Funds subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no brokerage commission fee (except for customary transfer fees) or other remuneration shall be paid in connection with any such transaction.</p> <p>As a result of the foregoing, Nyes Ledge (and its respective members) may have conflicts of interest in allocating their time and activity between the Funds, in allocating investments among the Funds and in effecting transactions for the Funds, including ones in which Nyes Ledge (and its respective members) may have a greater financial interest.</p> <p>Additionally, common expenses frequently will be incurred on behalf of more than one Fund. Nyes Ledge will seek to allocate those common expenses among Funds in good faith in a manner it determines is fair and reasonable over time. However, expense allocation decisions will involve potential conflicts of interest (e.g., conflicts relating to different expense arrangements with certain clients). Nyes Ledge may use a variety of methods to allocate common expenses among the Funds, including methods based on assets under management, relative use of a product or service, the nature or source of a product or service, the relative benefits derived by the Funds from a product or service, or other relevant factors. Nonetheless, the portion of a common expense that the Nyes Ledge allocates to the Funds for a particular product or service may not reflect the relative benefit derived by the Fund from that product or service in any particular instance.</p> <p>Each of Nyes Ledge and its respective members will use its best efforts in connection with the purposes and objectives of the Funds and will devote so much of its time and effort to the affairs of the Funds as may, in its judgment, be necessary to accomplish the purposes of the Funds. The Fund agreements specifically provide that Nyes Ledge (or its respective members) may conduct any other business including any business within the securities industry whether or not such business is in competition with a Fund. Without limiting the generality of the foregoing, Nyes Ledge (or its respective members) may act as investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, securities firms or advisory firms. The Fund agreements also recognize that it may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Funds for the same investment positions to be taken or</p> |
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|  | <p>liquidated at the same time or at the same price.</p> <p>Fund Managers will generally be subject to many of the same potential conflicts of interest as those outlined above.</p> <p><b><u>Cybersecurity Risk</u></b></p> <p>The Funds, Nyes Ledge, the Fund Managers and their service providers, including banks, broker dealers, custodians and their affiliates, 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, unauthorized asset transfers and various other forms of cybersecurity breaches. Cyber-attacks affecting the Funds, Nyes Ledge, the Fund Managers 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 limited partners, subject the Fund, Nyes Ledger, the Fund Managers or their affiliates to regulatory fines or financial losses, or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds), affecting any of the Funds' key service providers, such as the Fund Managers, banks, broker dealers, custodians or other counterparties holding assets of the Funds, may cause significant harm to the Funds, including the loss of capital. Similar types of cybersecurity risks are also present for issuers of securities in which the Fund Managers 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.</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.

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| <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>1. <b>was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> 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>2. <b>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>3. <b>was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or</b></li> <li>4. <b>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 order</b></li> </ol> <p>Not applicable.</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>  |

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|          | <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>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 <ol style="list-style-type: none"> <li>(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;</li> <li>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</li> <li>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</li> <li>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</li> </ol> </li> </ol> <p>Not applicable.</p>  |
| Item 9.C | <p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>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.</li> </ol> <p>Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a <i>management person</i> to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the <i>person involved</i> in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See SEC rule 204-2(a)(14)(iii).</p> <p>Not applicable.</p> |

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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| 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>Not applicable.</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>Not applicable.</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>Nyes Ledge is of the view that it does not have any arrangements that are material to its investment business or its clients with a related person that meets any of the categories listed above.</p> |
| Item 10.D | <p>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, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>While Nyes Ledge selects Fund Managers and Portfolio Funds for its</p>  |

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|  | <p>Funds' investments, Nyes Ledge does not receive direct or indirect compensation from those Fund Managers or Portfolio Funds. Rather, Nyes Ledge is compensated by Investors in the pooled investment vehicles managed by Nyes Ledge.</p> <p>See Item 11 below for a description of how Nyes Ledge monitors conflicts of interest related to personal investments, and business relationships with Fund Managers/Portfolio Funds that it recommends for investment by the Funds.</p> |
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## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

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| 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>Nyes Ledge has adopted a Code of Ethics (the “Code”) that it reasonably believes complies with the requirements of Advisers Act Rule 204A-1 and ensures that the personal securities transactions of Nyes Ledge’s Access Persons do not conflict with transactions recommended to the Funds. Nyes Ledge is of the view that high ethical standards are essential for the success of Nyes Ledge and to maintain the confidence of Investors. Nyes Ledge is of the view that its long-term business interests are best served by adherence to the principle that Advisory Clients’ and Investors’ interests come first. Nyes Ledge recognizes that it has a fiduciary duty to its Advisory Clients that requires Nyes Ledge’s Access Persons to act solely for the benefit of Nyes Ledge’s Advisory Clients.</p> <p>In summary, the Code is designed to (i) prevent improper personal trading by Nyes Ledge’s Access Persons; (ii) prevent improper use of material, non-public information about securities recommendations made by Nyes Ledge or securities holdings of Nyes Ledge’s Advisory Clients; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of Advisory Clients.</p> <p>All Nyes Ledge employees are deemed to be Access Persons and are required to sign an annual acknowledgement that they have received, read, understand and agree to abide by the Code.</p> <p>A copy of the Code is available to Investors or prospective Investors upon written request made to Nyes Ledge’s Chief Compliance Officer, David Bruno at (617) 350-5080.</p> |
| Item 11.B | <p><b>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.</b></p> <p><b>Examples:</b> (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>Nyes Ledge has financial ownership interests in the Onshore Fund and receives a management fee for its services to the Funds.</p>   |

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|           | <p>The fact that Nyes Ledge has a financial ownership interest in certain Funds creates a potential conflict in that it could cause Nyes Ledge to make different investment decisions than if it did not have such a financial ownership interest.</p> <p>In addition, the Managing Members of Nyes Ledge (who are deemed to be related persons of Nyes Ledge) also have investments in the Onshore Fund and, as such, have a financial interest in that fund.</p> <p>Nyes Ledge is of the view that the Managing Members' investments in the Funds are ultimately intended to align their interests with the interests of Investors. That said, and consistent with the above description, this creates a potential conflict of interest because the fact that such Managing Members have investments in the Funds could lead them to make different investment decisions than if they did not have such investments in the Funds. Nyes Ledge addresses these potential conflicts of interest through the use of a detailed Code of Ethics as described in Item 11.A above.</p> <p>If you have any questions about these important disclosures, please contact David Bruno, Nyes Ledge's Chief Compliance Officer, at (617) 350-5080.</p> |
| Item 11.C | <p><b>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.</b></p> <p>Nyes Ledge's Access Persons are prohibited in making any personal investments with hedge funds, or other private investment funds, outside of their interests in the Funds.</p>   |
| Item 11.D | <p><b>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.</b></p> <p><b>Note:</b> The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under SEC rule 204A-1(e)(10) and similar state rules.</p> <p>Please see Items 11.A, 11.B, and 11.C.</p>   |

## ITEM 12 – BROKERAGE PRACTICES

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| 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> <p><b>1. 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.</p> <p><b>Note:</b> Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.</p> <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> </ol> <p><b>Note:</b> This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not</p> |
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|             | <p>specific enough.</p> <p>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.</p> <p>As a “fund-of-funds” manager with no direct investments other than those in underlying Portfolio Funds, Nyes Ledge is not involved in selecting or recommending broker-dealers for Fund transactions and determining the reasonableness of broker-dealer compensation (e.g., commissions). Furthermore, Nyes Ledge does not receive research or other products or services from broker-dealers or third parties in connection with Fund transactions (“soft dollar benefits”). It is expected that underlying Fund Managers and Portfolio Funds utilized by the Nyes Ledge Funds will allocate brokerage business generally on the basis of best available execution and in consideration of such brokers' provision of brokerage, research and related services (but no absolute assurances can be made in that respect). Nyes Ledge has no direct control over underlying Fund Managers' best execution review processes.</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> <p>a. 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.</p> <p>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.</p> <p>Not applicable.</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</p>  |

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|           | <p>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>Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.</p> <p>Not applicable.</p> |
| Item 12.B | <p>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.</p> <p>Not applicable.</p>   |

## ITEM 13 – REVIEW OF ACCOUNTS

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| 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>The Managing Members of Nyes Ledge, Brendan McCarthy, Kevin Pirani and David Bruno, seek to actively monitor Fund Managers’ performance, risk, and business operations. The Funds follow comprehensive and rigorous criteria in selecting Portfolio Funds for investment, and in reallocating capital among, or terminating investment with, Portfolio Funds from time to time.</p> <p>In addition to receiving monthly performance estimates and capital statements from Fund Managers, Nyes Ledge generally speaks to Fund Managers on a quarterly basis to review portfolio holdings and discuss performance attribution. In addition, Nyes Ledge generally meets with representatives of the Portfolio Funds on a regular basis. Portfolio construction, performance attribution, exposures, organizational updates and other issues are discussed. Fund Managers generally agree to provide at least their top holdings on a quarterly basis. In some cases, Nyes Ledge has full security-level transparency into the portfolio.</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 refer to Item 13.A, above.</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>Investors receive unaudited performance reports and capital account balances on a monthly basis. Investors also receive quarterly letters discussing Fund performance. Investors receive audited year-end financial statements on an annual basis. For tax reporting purposes, Nyes Ledge also provides each Investor in the Onshore Fund with a Schedule K-1.</p>  |

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

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| 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.</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>Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.</p> <p>While there are presently no such solicitation or referral relationships in place, Nyes Ledge may, in the future, enter into arrangements pursuant to which it compensates third parties for investor and client referrals. Such arrangements (as required) will be made in compliance with Rule 206(4)-3 under the Advisers Act.</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.**

Nyes Ledge maintains the cash assets of the Funds in custodial accounts with “qualified custodians” pursuant to Rule 206(4)-2 under the Advisers Act and will notify Investors in writing of the qualified custodian’s name, address and the manner in which the assets are maintained promptly when an account is opened and following any changes to this information.

Cash balances for the Onshore Fund are held at Boston Private Bank & Trust; 10 Post Office Square, Boston, MA 02109, and Fidelity Investments (Bank of New York, Mellon); 100 Wall Street, New York, NY 10286.

Cash balances for the Offshore Fund and the Horizon Fund are held at Deutsche Bank (Cayman) Ltd.; Boundary Hall, Cricket Square, 171 Elgin Avenue, George Town, Grand Cayman, Cayman Islands, and Deutsche Bank Trust Company Americas; 60 Wall Street, New York, NY 10005. In addition, the Offshore Fund maintains assets at BNY Mellon, 101 Barclay Street, 4<sup>th</sup> Floor, New York, NY 10286.

Nyes Ledge reasonably believes that Investors will be provided with audited financial statements for the Fund in which they invest within 180 days of the end of the applicable Fund’s fiscal year.



## 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).**

Nyes Ledge has discretionary authority to manage securities accounts on behalf of its Advisory Clients. Nyes Ledge is authorized to make purchase and sale decisions for Advisory Clients, and is also authorized to allocate assets with Portfolio Funds and Fund Managers. As explained in Item 4.C., above, the investment strategy of each Fund is set forth in detail in such Fund's offering document. Individual Investors in the Funds do not have the ability to impose limitations on Nyes Ledge's discretionary authority. Prospective Investors are provided with an offering document prior to their investment and are encouraged to carefully review the offering document 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, in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, prospective Investors in the Onshore Fund must execute a partnership agreement.

## ITEM 17 – VOTING CLIENT SECURITIES

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| <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>Nyes Ledge understands and appreciates the importance of proxy voting. As a “fund-of-funds” manager, proxy issues typically involve a change in terms initiated by a Fund Manager/Portfolio Fund in which a Nyes Ledge Fund invests. To the extent that Nyes Ledge has discretion to vote the proxies on behalf of the Funds, Nyes Ledge will vote any such proxies in the best interests of the Funds and Investors (as applicable) and in accordance with set compliance procedures. Prior to voting any proxies, Nyes Ledge will determine if there are any conflicts of interest related to the underlying Fund Manager or Portfolio Fund issuing the proxy in question. If a conflict is identified, Nyes Ledge will then make a determination (which may be in consultation with outside legal counsel or third party compliance consultants) as to whether or not the conflict is material. If no material conflict is identified pursuant to its procedures, Nyes Ledge will make a decision on how to vote the proxy in question on behalf of the given Fund.</p> <p>Investors do not have the authority to direct Nyes Ledge’s votes with respect to proxies initiated by the Funds’ underlying Portfolio Funds. That said, copies of Nyes Ledge’s proxy voting procedures and voting records are available upon request. Please contact David Bruno, Nyes Ledge’s Chief Compliance Officer, at (617) 350-5080 or dbruno@nyesledge.com.</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.</p>  |

## ITEM 18 – FINANCIAL INFORMATION

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| 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>Note: If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.</p> <p>Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.</p> <p>Exception: You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.</p> <p>Not applicable.</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>Note: With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance</p> <p>Not applicable.</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.</p>   |