

TAPPAN STREET PARTNERS LLC
PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Tappan Street Partners LLC (“Tappan Street” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (646) 362-6242 or rich@tappanst.com. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Any reference to Tappan Street as a “registered investment adviser” does not imply a certain level of skill or training.

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

Item 2: Material Changes

Tappan Street is filing this initial Form ADV Part 2A as part of its transition from an Exempt Reporting Adviser to a Registered Investment Adviser with the U.S. Securities and Exchange Commission (“**SEC**”). In the future, Item 2 will only discuss specific material changes that have been made since the last filing and will provide a summary of those changes, which will be reflected below.

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Item 4: Advisory Business

Item 4.A.

Tappan Street Partners LLC (“**Tappan Street**” or the “**Adviser**”), a Delaware limited liability company, is an investment adviser with its principal place of business in New York, NY. The Adviser was formed in June 2011 by Prasad Phatak, Managing Member, who is also the principal owner of the Adviser (the “**Principal**”).

Item 4.B.

Tappan Street is an investment management firm that provides advisory services to sophisticated investors through a privately offered pooled investment vehicle incorporated in Delaware (the “**Fund**”). Currently Tappan Street is managing solely the Fund; however, the Adviser may also provide advisory services to separately managed accounts, together with the Fund, to be collectively referred to as the “**Advisory Clients**.”

The Adviser’s investment objective is to strive to achieve superior risk-adjusted returns over a multi-year period by pursuing a value-oriented investment strategy. Tappan Street does not limit its investment advice to only certain types of investments.

Item 4.C.

The Adviser’s investment management and advisory services to the Fund are provided pursuant to the terms of its Limited Partnership Agreement and as disclosed in its offering documents (collectively, the “**Offering Documents**”) and investors or “**Limited Partners**” in the Fund cannot obtain services tailored to their individual specific needs. In addition, Limited Partners may not impose restrictions on investing in certain securities or types of securities.

Item 4.D.

Tappan Street does not participate in a wrap fee program.

Item 4.E.

As of December 31, 2015 the Adviser manages approximately \$232.4 million in regulatory assets under management on a discretionary basis. The Adviser does not manage any Client assets on a non-discretionary basis.

Item 5: Fees and Compensation

Item 5.A.

Management Fee

The Adviser receives a quarterly management fee calculated at the annual rate of 1.5% (0.375% per quarter) of each Limited Partner’s Class A, B, and Class C capital account (the “**Management Fee**”). However, the Management Fee of Limited Partners holding Class A interests shall be reduced to 1.0%

(0.25% per quarter) when the Fund's assets under management, including the assets under management of other pooled investment vehicles directly affiliated with the Fund, are greater than \$250 million, effective at the beginning of the first year after assets under management cross this threshold and shall be further reduced to 0.5% (0.125% per quarter) when the Fund's assets under management are greater than \$500 million effective at the beginning of the first year after assets under management cross this threshold. In addition, the Management Fee of Limited Partners holding Class C interests shall be reduced to 1.00% (0.25% per quarter) when the Fund's assets under management, including the assets under management of other pooled investment vehicles directly affiliated with the Fund, are greater than \$500 million on the first day of the year. The General Partner's capital account in the Fund is not charged a Management Fee. If capital contributions are made at any time other than the beginning of a calendar quarter, a pro rata portion of the Management Fee will be paid to the Adviser. Accordingly, if a capital account is withdrawn at any time other than at the end of a quarter, a pro rata portion of the Management Fee will be refunded to the Limited Partner for such partial quarter.

The Fund previously offered Class A limited partnership interests; such Class A interests are no longer available.

The Management Fee is generally not negotiable; however, the General Partner, in its sole discretion, may elect to waive or modify the Management Fee with respect to any Limited Partners.

Incentive Allocation

An affiliate of the Adviser that serves as general partner to the Fund (the "**General Partner**") will receive an allocation, generally annually, (the "**Incentive Allocation**"), equal to (i) 15% of the Net Income (including realized gain, realized loss, unrealized gain and unrealized loss) allocated for the year to each Limited Partner's Class A capital account; (ii) 20% of the Net Income allocated for the year to each Limited Partner's Class B capital account; and (ii) 17% of the Net Income allocated for the year to each Limited Partner's Class C capital account. An Incentive Allocation is also made as to amounts withdrawn, as of the effective time of the withdrawal.

Incentive Allocations are subject to a "high water mark" provision. That is, the General Partner will be eligible to receive an Incentive Allocation only to the extent the Limited Partner's share of Net Income exceeds his/her or its previously allocated but unrecovered Net Losses (subject to adjustment for partial withdrawals).

The General Partner, in its sole discretion, may elect to waive or modify the Incentive Allocation with respect to any Limited Partners.

The General Partner may designate certain assets as "Side Pockets" when, in its sole discretion, determines that an asset is illiquid or it's in the best interest of the Fund to value such investment separately from the Fund's other assets. If the General Partner designates an asset as a Side Pocket, the Limited Partners of the Fund at the time of such designation will have proportionate interest in that investment. The General Partner shall not receive an Incentive Allocation with respect to any Side Pocket until the investment is liquidated, and a Partner may not make a withdrawal with respect to a Side Pocket until that event. Side Pockets shall be included in the calculation of the Management Fee.

Item 5.B.

Tappan Street's Administrator will deduct fees and compensation for advisory services, at the times described above under Item 5.A., from the Fund's assets as incurred.

Item 5.C.**Other Fees Earned and Expenses allocated by the Adviser**

The Fund bears its own expenses, including, but not limited to, investment related expenses such as the Fund's brokerage commissions, research expenses and interest on margin accounts and other indebtedness, custodial fees, bank service fees, withholding and transfer fees, taxes, systems and technology expenses, corporate licensing fees, legal and auditing expenses, accounting, fund administration, outsourced risk management advisory and software, investment related consultants and travel costs that are research related, expenses incurred with respect to the preparation, duplication and distribution to Limited Partners and prospective Limited Partners of Fund offering documents, annual reports and other financial information, any other services or service provider expenses deemed necessary by the Adviser on behalf of the Fund. Expenses generally will be shared by all of the Limited Partners of the Fund, including the General Partner, pro rata in accordance with their capital accounts.

At the discretion of the General Partner, the organizational expenses of the Fund may be amortized over a period of 60 months from the date the Fund commenced operations. The amortization of organizational expenses over 60 months is not in accordance with U.S. generally accepted accounting principles and could result in an exception in the auditors' opinion in the annual audited financial statements if the difference between amortization and recognition of these expenditures when incurred is deemed material from a financial statement point of view.

Item 5.D.

The Management Fee may be paid quarterly in advance, based on the value of each Limited Partner's capital account, as of the last day of the preceding quarter and expensed to the Fund as earned each month. If a Capital Account is withdrawn at any time other than at the end of a quarter, a pro rata portion of the Management Fee (based on the actual number of days remaining in such partial quarter) will be refunded to the Limited Partner for such partial quarter.

Item 5.E.

Not Applicable. Tappan Street or its supervised persons are not compensated for the sale of securities or other investment products, and mutual funds.

The Management Fees and Incentive Allocations described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws.

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

Tappan Street is entitled to receive an Incentive Allocation (as outlined in Item 5.A). The Incentive Allocation may provide a possible incentive for Tappan Street to make riskier or more speculative investments on behalf of an Advisory Client than those which would be recommended under a different fee arrangement. In addition, this arrangement may cause Advisory Clients to pay a greater expense than if such fees were not charged. Notwithstanding this potential incentive, Tappan Street will evaluate investments in a manner that it considers to be in the best interest of the Advisory Clients.

In the future, to the extent that there may be differences in Tappan Street's compensation arrangements with different Advisory Clients, such circumstances could create an incentive for Tappan Street to

manage Advisory Client portfolios so as to favor a portfolio that pays performance-based compensation over one that did not. Notwithstanding this conflict, Tappan Street will allocate transactions and opportunities among the Advisory Clients' accounts in a manner it believes to be as equitable.

Item 7: Types of Clients

Tappan Street provides discretionary investment management services to the Fund, and may also provide services to separately managed accounts and other funds in the future. Limited Partners generally must be (i) "accredited investors" (as defined in Regulation D under the Securities Act of 1933); and (ii) "qualified purchasers" (as defined in the Investment Company Act of 1940). Prospective Limited Partners are encouraged to thoroughly review the Offering Documents which set forth all of the terms in detail.

The minimum investment required to invest in the Fund is \$1 million. The Adviser, in its sole discretion, may waive or reduce the minimum investment amount in certain circumstances.

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

Item 8.A.

Value-Oriented Approach. Central to the Fund's value-oriented investment strategy is the belief that securities represent fractional shares of an underlying business or fractional claims on assets of an underlying business; securities are not simply tradable pieces of paper. As such, the Adviser believes these securities have an "intrinsic" value that can be estimated—whether through an estimate of the discounted cash flows that a business will generate or whether through the cash that would be generated by liquidating a business' assets—and the Adviser intends to hold only those securities whose price deviates significantly from the Adviser's estimate of intrinsic value. This discount to intrinsic value is often referred to as a "margin of safety." Investing with an adequate "margin of safety" helps ensure that even if there are unexpected events, or a downside scenario ensues, an investment has potential to still yield satisfactory results.

While in theory nearly any security's price can deviate from its intrinsic value, the Adviser believes that there are several places where these deviations are more likely to occur. These places include, but are not limited to, the following:

Small Capitalization Companies: Smaller capitalization companies are often ignored for the simple reason that these smaller investments cannot add meaningfully to the results of larger, institutional investors. As a result of fewer analysts evaluating these companies, mispricing is more likely to occur. Additionally, small capitalization companies typically do not engage in investment community marketing efforts and are often left uncovered by sell-side analysts.

Special Situations: Special situations are investments whose value will be determined by the completion (or lack thereof) of an event as opposed to the movement of the overall market. Special situation investments are frequently mispriced because they can be smaller and are complex. Additionally, much of the asset management industry operates in rigid silos. Analysts are responsible only for a particular type of security in a particular industry (e.g., healthcare equities). Special situations frequently span these silos,

or at times don't fit into any combination of silos, and as a result can be ignored and deviate from intrinsic value. Special situations include, but are not limited to, the following:

- Mergers—the sale of an entire business to another company for either cash or stock;
- Spin-offs—the separation of two often disparate businesses that were formerly part of a single, larger organization;
- Liquidations—the winding down of a company's operations with the goal of distributing the remaining value to shareholders;
- Tender offers—the buyback of a significant amount of a corporation's own securities;
- Rights offerings—a financing mechanism whereby existing shareholders are given the opportunity to buy more shares of a company;
- Assets sales—the sale of a part of a larger business;
- Recapitalizations—the restructuring of a company's balance sheet; and
- Bankruptcies—a legal action that is taken with the goal of either restructuring a company's operations into a more viable business or liquidating the company's assets to distribute to claim holders.

Complex Securities: Investors often avoid complex securities, whether because they don't fit into the aforementioned silo structure of most funds or because they are difficult to analyze, and as a result these securities can become mispriced. Examples of complex securities include companies involved in litigation, changes to the regulatory environment, hybrid securities, and merger securities.

Large Market Dislocations: While larger, blue-chip companies tend to be widely followed and, as a result, fairly priced, there are times when market panic can cause terrific companies to sell at cheap prices. The economic downturn of 2008-2009 provides a good example of panic-driven selling of securities without regard to the underlying quality of their businesses. These larger capitalization businesses tend to be more stable and at times can provide the best risk-adjusted returns in the market.

Item 8.B and Item 8.C.

No guarantee or representation is made that the Adviser will achieve its investment objective. Investment in the Fund involves significant risks and conflicts of interest, including, but not limited to, the risks and conflicts of interest set forth below. The risks set out below do not purport to be exhaustive. Additional risks and uncertainties that are currently unknown or currently deemed immaterial may become material factors that affect the Fund. Prospective investors should carefully consider the risks involved in an investment in the Fund, including but not limited to those discussed below. Prospective investors should read the entire Brochure as well the Offering Documents and any other material provided by Adviser, and consult their own legal, tax and financial advisers as to all these risks and as to an investment in the Fund generally.

General Investment and Trading Risks. An investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Fund invests in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that the Fund's program will be successful. The Fund's investment program utilizes such investment techniques as option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain

circumstances, maximize the adverse impact to which the Fund may be subject.

Small- and Mid-Cap Risks. A portion of the Fund's assets may be invested in securities of small-cap and mid-cap issuers. While in the Adviser's opinion the securities of small- and mid-cap issuers may offer the potential for greater capital appreciation than investments in securities of large-cap issuers, securities of small-cap issuers may also present greater risks. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers. Transaction costs in securities of small- and mid-cap issuers may be higher than in those of large-cap issuers.

Risks Associated with Investments in Distressed Securities. The Fund invests in "below investment grade" securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Some of these securities may not be publicly traded, and it therefore may be difficult to obtain information as to the true condition of such issuers. Additionally, in certain periods, there may be little or no liquidity in markets for these securities. Such investments also may be affected adversely by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Fund's investment in any instrument, and a significant portion of the Fund's investments may be less than investment grade. Any one or all of the issuers of the securities in which the Fund may invest may be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high. In any reorganization or liquidation proceeding relating to a company in which the Fund invests, the Fund may lose its entire investment, may be required to accept cash or securities with a value less than the Fund's original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Fund's investments may not compensate the Fund's investors adequately for the risks assumed. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect to which such distribution was made. In certain transactions, the Fund may not be "hedged" against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated. Troubled companies and other asset-based investments also require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by the Adviser. To the extent that the Adviser becomes involved in such proceedings, the Fund may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by the Fund in

an issuer's reorganization proceedings could result in the imposition of restrictions limiting the Fund's ability to liquidate its position in the issuer.

Investing in High Yield Securities. The Fund may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, the Fund will invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Credit Default Swaps. The Fund may invest in credit default swaps. A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. In essence, an institution which owns corporate debt instruments can purchase a limited form of default protection by entering into a credit default swap with another bank, broker-dealer or financial intermediary. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value, or (ii) by the parties pairing off payments, with the purchaser of the protection receiving a payment equal to the par value of the reference security less the price at which the reference security trades subsequent to default. The first way is the more common form of credit default swap termination. In the manner described above, credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. The Fund may also "purchase" credit default protection even in the case in which it does not own the referenced instrument if, in the judgment of the Adviser, there is a high likelihood of credit deterioration. The credit default swap market in high yield securities is comparatively new and rapidly evolving compared to the credit default swap market for more seasoned and liquid investment grade securities. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default and the shape of the U.S. Treasury Market curve, among other factors. As such, there are many factors upon which market participants may have divergent views. The Adviser may also enter into credit default swap transactions, even if the credit outlook is positive, if it believes that participants in the marketplace have incorrectly valued the components which determine the value of a swap.

Convertible Securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the

underlying common stock increases. The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the investment value of convertible securities. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the Fund’s ability to achieve its investment objective.

Commodities and Derivative Investments. The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, the Fund’s assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

The Fund may buy or sell (write) both call options and put options, and when they write options, it may do so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Fund’s option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions the Fund may enter into, the principal risks involved in options trading can be described as follows: When the Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of their investment in the option (including commissions). The Fund could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (e.g., by buying the securities or buying calls on them) in securities underlying put options.

When the Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the

underlying security above the exercise price. The risk is theoretically unlimited unless the option is “covered.” If it is covered, the Fund would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Fund might suffer as a result of owning the security. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

Highly Volatile Markets. The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Fund’s assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund is subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

Use of Leverage and Financing. The Fund may leverage its capital because the Adviser believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its securities in order to borrow additional funds for investment purposes. The Fund may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. There is no limit on the Fund’s ability to borrow or use leverage. While leverage presents opportunities for increasing the Fund’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund’s investments could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged. The use of short-term margin borrowings results in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund’s margin accounts decline in value, the Fund could be subject to a “margin call”, pursuant to which the Fund must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund’s assets, the Fund might not be able to liquidate assets quickly enough to satisfy its margin requirements. The Fund may borrow by entering into reverse repurchase agreements. Under a reverse repurchase agreement, the Fund sells securities and agrees to repurchase them at a mutually agreed date and price. Reverse repurchase agreements may involve the risk that the market value of the securities retained in lieu of sale by the Fund may decline below the price of the securities the Fund has sold but is obligated to repurchase. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the Fund’s obligation to repurchase the securities and the Fund’s use of the proceeds of the reverse repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the securities that the Fund has purchased has decreased, the Fund could experience a loss. The financing used by the Fund to leverage their portfolio is extended by securities brokers and dealers in the marketplace in which the Fund invests. While the Fund attempts to negotiate the terms of these financing arrangements with such brokers and dealers, its ability to do so is limited. The Fund is therefore subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer’s willingness to continue to provide any such credit to the Fund. Because the Fund currently has no alternative credit facility which could be used to finance its portfolio in the absence of financing from broker-dealers, it could be forced to

liquidate its portfolio on short notice to meet its financing obligations. The forced liquidation of all or a portion of the Fund's portfolio at distressed prices could result in significant losses to the Fund.

Hedging Transactions. The Adviser is not required to attempt to hedge portfolio positions in the Fund and, for various reasons, may determine not to do so. Furthermore, the Adviser may not anticipate a particular risk so as to hedge against it. The Fund may utilize financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (vii) for any other reason that the Adviser deems appropriate. The success of the Fund's hedging strategy is subject to the Adviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy is also subject to the Adviser's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. For a variety of reasons, the Adviser may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

Derivatives and Hedging. The Fund may invest and trade in a variety of derivative instruments, both to hedge the Fund's portfolio and for profit. Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. The Fund's ability to profit or avoid risk through investment or trading in derivatives will depend on the General Partner's ability to anticipate changes in the underlying assets, reference rates or indices.

Short Selling. Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Fund engages in short sales depends upon the Adviser's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is

substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Adviser would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could limit the Adviser's ability to achieve the Fund's investment objectives.

Limited Diversification. The Fund's investments are primarily focused geographically in North American countries. Furthermore, broad diversification of investments in number or by industry or geography is not a primary investment objective of the Adviser. At any given time, it is therefore possible that the Adviser may select investments that are concentrated in a limited number or types of investments. This limited diversity could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

Non-U.S. Securities. Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the U.S. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the United States. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The Fund might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Fund's performance.

Emerging Markets. In addition to the risks associated with investments outside of the United States, investments in emerging markets (i.e., the developing countries) may involve additional risks. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported. The issuers of some of non-U.S. securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. Custodial expenses for a portfolio of emerging markets securities generally are higher than for a portfolio of securities of issuers based in developed countries. Many of the laws that govern private and foreign investments, securities transactions, creditors' rights

and other contractual relationships in non-U.S. countries, particularly in developing countries, are new and largely untested. As a result, the Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations. Regulatory controls and corporate governance of companies in developing countries may confer little protection for investors. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty is also limited when compared to such concepts in developed country markets. In certain instances, management may take significant actions without the consent of investors. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of non-U.S. countries in which assets of the Fund are invested.

Illiquid Investments. The Fund may invest in securities and other assets, which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and the Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. An investment in the Fund is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

Counterparty Risk. Some of the markets in which the Fund may effect its transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund has no internal credit function that evaluates the creditworthiness of their counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Item 9: Disciplinary Information

Tappan Street or its supervised persons have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Not Applicable. Neither Tappan Street or any of its management persons is currently registered or has an application pending to register as a broker-dealer or registered representative of a broker-dealer.

Item 10.B.

Not Applicable. Neither Tappan Street or any of its management persons is registered or has 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.

Item 10.C.

Tappan Street Associates LLC is an affiliate of Tappan Street and serves as the General Partner to the Fund. Tappan Street Associates LLC receives the Incentive Allocation discussed above in Item 5 and Item 6.

The Fund has entered and may in the future enter into agreements, or “side letters,” with certain prospective or existing limited partners whereby such limited partners may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the applicable Fund. For example, such terms and conditions may provide for capacity rights to make future investments in the applicable Fund, rights to receive reports from the Fund by a certain date, and rights to receive different Management Fee and Incentive Allocation terms. The modifications are solely at the discretion of Tappan Street and may, among other things, be based on the size of the limited partner’s investment in the applicable Fund, the timing as to when the subscription was received in the Fund’s history (i.e. early stage), an agreement by a limited partner to maintain such investment in the Fund for a significant period of time, or other similar commitment by a limited partner to the applicable Fund.

Item 10.D.

Not Applicable. Tappan Street and its supervised persons do not recommend or select other investment advisers for our Advisory Clients nor does it have any business relationships with other investment advisers.

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

Item 11.A.

The Adviser has adopted a Code of Ethics (the “**Code**”) that will obligate the Adviser and its related persons to put the interests of its Advisory Clients before their own interests and to act honestly and fairly in all respects in their dealings with Advisory Clients.

The Code of Ethics includes the following points:

- A statement of the standard of business conduct;
- Procedures for handling confidential information;

- Treatment of Material Non-Public Information;
- Personal Trading Policy where all employees are subject to strict reporting requirements regarding personal holdings and required to pre-clear any purchases or sales of securities through the Chief Compliance Officer;
- Employees are required to obtain prior approval from the Chief Compliance Officer before entering into any private securities transaction;
- Reporting and prior approval requirements for any Outside Business Activities;
- Limits on gifts and entertainment;
- Limits on political contributions;
- Employees must acknowledge in writing having received and read a copy of the Code; and
- Any exceptions to the above need prior approval of the Chief Compliance Officer.

A copy of the Adviser's Code is available to investors and prospective investors upon request.

Item 11.B through Item 11.D.

Tappan Street, as a fiduciary, endeavors to always make decisions in the best interest of its Advisory Clients if a conflict of interest arises.

Neither Tappan Street nor its related persons recommends to Advisory Clients, or buys or sells for Advisory Client accounts, securities in which Tappan Street or a related person has a material financial interest.

Employees are permitted to maintain personal brokerage accounts, subject to the Code of Ethics and its personal trading policy. As a general matter, the employees are not permitted to engage in securities transactions for their personal securities accounts in which the Fund transacts for the following two (2) business days or for which employees of the Adviser may have received material non-public information. The Chief Compliance Officer may make an exception to the two (2) business day restriction under certain circumstances.

Item 12: Brokerage Practices

Item 12.A.1.

Tappan Street is solely responsible for choosing the broker or brokers used for each securities transaction on behalf of its Advisory Clients. In negotiating commission rates and selecting broker/dealers, Tappan Street will take into account the financial stability and reputation of the particular broker/dealer, the ability to achieve prompt and reliable executions at favorable prices, the operational efficiency with which transactions are effected, and the brokerage and research services provided by such broker/dealer, among other factors. It is noted that since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

The Adviser believes that valuable brokerage and research services can be provided to its Advisory Clients by brokerage firms effecting such transactions. Accordingly, Tappan Street does not intend to seek lower brokerage commissions to the extent that doing so might detract from the provision of such brokerage and research services. Brokerage and research services may either be obtained from brokerage firms or obtained from third parties and paid for by the Adviser and subsequently charged to its Advisory

Clients pro rata based on their relative capital balances. Brokerage and research services may include, but are not limited to: (i) written (including electronic) information and analyses concerning specific securities, companies, or sectors; news, quotation, statistics, and pricing services, as well as discussions with research personnel and consultants; and (ii) hardware, software, databases, and other technical and telecommunications services and equipment utilized in the investment management process and consulting fees and travel expenses in connection with investigating and monitoring potential and existing investments. Research services, whether obtained by the use of commissions arising from the Advisory Client's portfolio transactions or paid for by the Adviser and charged to the Advisory Clients as described above.

The Adviser may receive research or other products or services other than execution from broker-dealers in connection with Advisory Client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to pay for eligible research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("**Section 28(e)**"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

When the Adviser uses Advisory Client commissions to pay for Section 28(e) eligible research and brokerage products and services, the Chief Compliance Officer and Managing Member will meet periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The Adviser may cause Advisory Clients 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), resulting in higher transaction costs for Advisory Clients.

Research and brokerage services obtained by the use of commissions arising from an Advisory Client's portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of other Advisory Client accounts. The Adviser will seek to allocate soft dollar benefits to Advisory Client accounts proportionately to the soft dollar credits the accounts generate.

Item 12.A.2.

Tappan Street does not participate in selecting or recommending broker-dealers in exchange for client referrals.

Item 12.A.3.

Directed brokerage is not applicable to Tappan Street.

Item 12.B.

Currently the Adviser solely manages the Fund. However, it is Tappan Street's policy to manage the future strategies on a pari-passu basis and endeavor to, whenever appropriate, aggregate trades in a block trade in order to reduce transaction costs and to ensure equal price across the Advisory Clients.

Item 13: Review of Accounts

Item 13.A. and 13.B.

The Managing Member and Chief Compliance Officer review the portfolio assets on a daily basis. In addition, the Chief Compliance Officer and Administrator review the Advisory Client's capital account balances and income allocation at the end of each month.

Additionally, the Adviser has established a formal Compliance Committee, which reviews the investment program and risk management process to satisfy its fiduciary obligation to evaluate its investment program and each portfolio in accordance with set guidelines. The Compliance Committee will meet formally on quarterly basis and the minutes of each Compliance Committee meeting are documented and retained by the Chief Compliance Officer.

Item 13.C.

The Administrator sends monthly capital statements to investors in the Fund identifying opening and closing balances for the period, net income, capital contributions and withdrawals, as well as performance for the period. Investors also receive monthly performance estimates, monthly attribution and exposure factsheets, and quarterly investor letters providing commentary and updates from the Adviser. The above reports are in written form and investors should carefully review these documents.

Item 14: Client Referrals and Other Compensation

Item 14.A.

Not applicable. Tappan Street does not receive economic benefits from any non-clients nor does it provide any investment advice or other advisory services to non-clients.

Item 14.B.

Not Applicable. Tappan Street does not directly or indirectly compensate any person who is not a supervised person for client referrals, including third-party marketers or solicitors.

Item 15: Custody

Due to the fact that Tappan Street acts as investment adviser to the Fund and has an affiliated party that acts as General Partner to an onshore Fund, Tappan Street may be deemed to have custody of certain client assets under current applicable regulatory interpretations. As such, and as is required by the safekeeping requirement in Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, all assets in the accounts of Tappan Street's clients are held by a qualified custodian. Tappan Street has also appointed an independent certified public accounting firm that conducts annual audits of the Fund's financial statements that are distributed to investors within 120 days of the fiscal year-end. The Fund's financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles. These reports are in written form and investors should carefully review those statements.

In addition, each investor in the Fund receives written monthly statements from the Administrator with respect to the activities of the Fund.

Item 16: Investment Discretion

Tappan Street has full discretion to manage accounts on behalf of its Advisory Clients, and trade the Advisory Clients' assets in a broad range of investments, to be selected in Tappan Street's sole discretion, with no specific limitations as to type, amount, concentration, or leverage. This authority is granted pursuant to an Investment Management Agreement ("IMA") between Tappan Street and the Fund. Individual investors grant authority to the Fund to enter into an IMA with Tappan Street by signing a subscription agreement.

Item 17: Voting Client Securities

As a matter of policy and as a fiduciary to its Advisory Clients, Tappan Street is responsible for voting proxies for portfolio securities consistent with the best economic interests of its Advisory Clients. Tappan Street understands and appreciates the importance of proxy voting. The Adviser will vote all proxies in the best interests of its Advisory Clients and in accordance with the procedures outlined below (as applicable), unless otherwise mandated by an investment management agreement or applicable law (e.g. ERISA).

- All proxies that are received (to vote on behalf of the Advisory Clients) are given to the Managing Member for review.
- Prior to voting any proxies, the Chief Compliance Officer will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not.
- If no material conflict is identified pursuant to these procedures, the Chief Compliance Officer will vote the proxy in question in accordance with the advice of the Managing Member.

Advisory Clients that wish to obtain information on how specific proxies were voted or the Adviser's proxy voting policy may contact the Chief Compliance Officer.

Item 18: Financial Information

Item 18.A.

Not Applicable.

Item 18.B.

There are no conditions that impair the Tappan Street's ability to meet its contractual and fiduciary commitment to the client accounts.

Item 18.C.

Not Applicable. Tappan Street has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: Requirements for State Registered Advisers

Not Applicable.