

Firm Brochure (Part 2A of Form ADV)

Echo Street Capital Management, LLC

10 East 53rd Street, 32nd Floor

New York, NY 10022

Tel: 212 647 2424

Fax: 212 647 8189

www.echostreetcapital.com

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This brochure provides information about the qualifications and business practices of Echo Street Capital Management, LLC (“Echo Street”, “the Company”, or the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us by telephone at (212) 647-2424 or by email information@echocap.com. The information contained in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Echo Street is also available on the SEC’s website at www.adviserinfo.sec.gov by using a unique identifying number known as the CRD Number. Echo Street’s CRD Number is 160268.

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

Item 2. Material Changes

The Adviser does not consider any of the information contained in this version of the Firm Brochure to represent a material change from the information contained in the most recent version dated March 2017.

The Adviser has made routine updates and clarifying changes to this Firm Brochure. Please read the Firm Brochure in its entirety.

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Item 4. Advisory Business

Echo Street is a Delaware limited liability company. The Company was founded in 2002 and is an investment adviser with its principal place of business in New York, New York. Greg Poole is the Managing Member, Portfolio Manager and principal owner.

Echo Street provides investment advisory services on a fully discretionary basis to certain hedge funds and long only funds, which are pooled investment vehicles formed as private funds, and separately managed accounts. Hedge funds managed by Echo Street shall be referred to herein as "Hedge Fund Clients," long only funds managed by Echo Street shall be referred to herein as "Long Only Clients" and together with Hedge Fund Clients, "Fund Clients". Investors in our Hedge Fund Clients are referred to as "Hedge Fund Investors," and investors in our Long Only Clients are referred to as "Long Only Investors" (and together with the Hedge Fund Investors, "Investors"). Separately managed accounts managed by Echo Street are referred to as "Managed Account Clients." In addition, references to "clients" may include Hedge Fund Clients, Long Only Clients and/or Managed Account Clients.

Echo Street does not tailor its advisory services to the particular needs of Investors. Since Echo Street does not provide individualized advice to Investors, each Investor should consider whether the Fund Clients meet their investment objectives and risk tolerance prior to investing. Fund Client's investment portfolios are managed in accordance with their respective offering memoranda and governing documents. Information about Fund Clients, including any initial and additional subscription minimums imposed on Investors, is set forth in their respective offering documents.

Echo Street currently provides advice to Managed Account Clients based on specific investment objectives and strategies. Under certain circumstances, the Adviser may agree to tailor advisory services to the individual needs of Managed Account Clients and Managed Account Clients may impose restrictions on investing in certain securities or types of securities. The minimum investment for a separately managed account is approximately \$75,000,000, however this amount has been lower and may be waived in the future at the discretion of Echo Street.

See Item 8 for a description of the investment strategies utilized by the Fund Clients and Managed Account Clients.

Echo Street does not currently participate in any wrap fee programs.

As of December 31, 2017, Echo Street had approximately \$5,292,465,672 in regulatory assets under management, all of which were managed on a discretionary basis. Echo Street does not manage assets on a non-discretionary basis.

Item 5. Fees and Compensation

The fees applicable to each Fund Client are set forth in detail in each Fund's offering and governing documents. A brief summary of such fees is provided below:

Hedge Fund Clients

Echo Street generally charges each Hedge Fund Client a quarterly investment management fee of 0.375% (1.5% per annum) based on the value of the client's assets under management. Investment management fees are charged each quarter in advance based on the total market value of the assets in the client account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) at the beginning of that quarter. If a new or existing Hedge Fund Investor makes an investment during a quarter, the investment management fee will be charged as of the effective date of the investment management agreement or the date of the Hedge Fund Investor contribution based on the value of the assets as of the applicable date and will be prorated for a period that is less than a full fiscal quarter. In the event of a withdrawal or the termination of an advisory agreement, other than as of the last day of a quarter, any pre-paid fee will be refunded on a prorated basis. Echo Street is paid the investment management fee quarterly by instructing the custodian in coordination with the Administrator to deduct the account of Hedge Fund Clients.

Echo Street or an affiliate will also be paid a yearly performance-based allocation, which is compensation that is based on a share of capital gains on, income from, or capital appreciation of the assets of a client. This performance-based allocation is generally 20% of the gains, income, and appreciation referenced as of the end of the fiscal year or upon a realization event after deducting the investment management fee, subject to a loss carryforward.

For Hedge Fund Investors, these fees and allocations generally are not negotiable, though Echo Street may waive or modify these fees and allocations in its discretion.

Long Only Clients

The investment management fee paid by Long Only Clients ranges from 0.0333334% to 0.0541667% per month (0.4% to 0.65% per annum) and is calculated and may vary based on the value of each Long Only Investor's investment. Management fees are generally charged each month in advance based on the net asset value of the assets in each Long Only Client at the beginning of that month. Echo Street is paid the investment management fee monthly by instructing the custodian in coordination with the Administrator to deduct the account of Long Only Clients.

Long Only Clients are not subject to a performance-based fee or allocation.

For Long Only Investors, these fees are generally not negotiable, though Echo Street may waive or modify these fees in its discretion.

Managed Account Clients

Investment management fees and performance-based fees or allocations are generally negotiated separately for Managed Account Clients. These fees are billed directly to the owners of the Managed Account Clients.

Clients Generally

Client accounts will also be subject to investment and operational expenses such as the investment management fees paid to the Adviser; fees and expenses related to legal and compliance (including, but not limited to, fees and expenses related to registration, filing and reporting requirements in any jurisdiction in which a Fund Client is offered

or sold and filings made on behalf of a client pursuant to Section 13 and 16 of the Securities Exchange Act of 1934, as amended, and Form PF); fees and expenses of the Administrator; tax preparation and accounting expenses (including third party accounting); audit and other professional fees and expenses; organizational expenses; investment expenses such as commissions; research fees and expenses (including Bloomberg and similar subscriptions and data services); expenses incurred in respect of statistical and pricing services and trade capture systems/order management systems; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; client-related insurance costs (including directors' and officers' and errors and omissions insurance for the Adviser and the directors of any Hedge Fund Client or Long Only Client, as applicable); and any other expenses reasonably related to the purchase, sale, preservation or transmittal of client assets. Certain clients' assets may be invested in money market mutual funds, exchange traded funds ("ETFs") or other registered investment companies. For these types of investments, the client will pay management fees and other fees associated with its investments in addition to the management fee paid to the Adviser. Echo Street will be responsible for its overhead expenses, including office rent, utilities, furniture and fixtures, stationery, compensation for its employees (including salaries and bonuses), entertainment expenses, employee insurance and payroll taxes.

Each client will bear its own expenses as set forth in its respective offering and governing documents or investment management agreement with the Adviser or its affiliates. Expenses borne by one client may differ from the expenses borne by another client. In certain instances, one client may bear expenses that the Adviser has agreed to bear for one or more other clients, and vice versa.

Common expenses frequently will be incurred on behalf of more than one client. The Adviser will seek to allocate those common expenses among such clients in a manner that 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). The Adviser use a variety of methods to allocate common expenses among the clients, 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 clients from a product or service, or other relevant factors. Nonetheless, investors should note that the portion of a common expense that the Adviser allocates to one client for a particular product or service may not reflect the relative benefit derived by such client from that product or service in any particular instance. The Adviser's expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by the Adviser in good faith will be final and binding on each client.

Neither Echo Street nor any of its related persons accept or receive compensation from the sale of securities or other investment products to its clients.

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

Echo Street is paid performance-based compensation by its Hedge Fund Clients and Managed Account Clients. Echo Street does not receive performance-based compensation from its Long Only Clients. See Item 5 for a description of the performance-based compensation. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. Performance-based compensation arrangements may create an incentive for Echo Street to recommend investments which may be riskier or more speculative than under a different arrangement.

Certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. Because the Adviser and its investment personnel manage more than one client account, a potential exists for one client account to be favored over another and to provide preferential treatment in terms of time, resources, and investment opportunities to clients that pay the Adviser (and indirectly the Portfolio Manager) a higher fee.

Echo Street's owner and certain employees are personally invested in one or more Fund Clients, which could create an incentive for the Adviser to favor those Fund Clients over clients in which such persons are not directly invested.

Echo Street has adopted and implemented policies and procedures intended to address conflicts of interest and to ensure all clients are treated fairly. Echo Street seeks to avoid, among other things, investment or trading practices that systematically over time advantage or disadvantage certain client portfolios. If it is determined by Echo Street that it would be appropriate for more than one client to participate in an investment opportunity, Echo Street will seek to execute orders for all of the participating clients on a fair and equitable basis, to the extent practical and in accordance with the applicable clients' investment strategies. In making allocation decisions, Echo Street will take into account, among other considerations (i) each client's investment objective and strategies, (ii) each client's risk profile, (iii) each client's tax status, (iv) any restrictions placed on a client's portfolio by the client or by virtue of federal or state law, (v) the size of each client, (vi) the total portfolio invested position, (vii) the nature of the security to be allocated, (viii) the size of the available position, (ix) the supply or demand for a given security at a given price level, (x) current market conditions, (xi) timing of cash flows and account liquidity and (xii) any other information determined to be relevant to the fair allocation of investment opportunities. These factors will all affect the trading instructions for the clients. Orders sent to a particular broker for a particular security for clients within a given investment strategy will generally be aggregated and allocated pro rata. Orders sent to a particular broker for a particular security for clients with different strategies but the same trading instructions will generally be aggregated and allocated pro rata within each strategy. All other orders will be monitored by Echo Street for fair and equitable treatment. Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts. Long-Only Clients do not participate in initial public offerings as they are outside of the strategy's investment parameters. These areas are monitored by Echo Street's Chief Compliance Officer ("CCO") and Chief Financial Officer ("CFO").

Item 7. Types of Clients

Echo Street's clients consist of Fund Clients and Managed Account Clients, as described above.

The Adviser does not impose any minimum account requirements on its Fund Clients. However, its Fund Clients generally impose minimum account size and/or suitability requirements on their Investors. These restrictions are disclosed in each Fund Client's respective offering documents.

Echo Street generally requires that a Managed Account Client invests and maintains a minimum account size of approximately \$75,000,000, however this amount has been lower and may be waived in the future at the discretion of Echo Street. If the account size falls below the minimum requirement due to market fluctuations, a Managed Account Client will not be required to invest additional funds with the Adviser to meet the minimum account size.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to clients, and investment strategies pursued and investments made by us on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client's investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks. There can be no assurance that the investment objectives of any client will be achieved.

Echo Street utilizes a variety of methods and strategies to make investment decisions and recommendations. Analysis is primarily based on fundamental research, but that may be augmented by charting and cyclical analysis as well as the use of quantitative tools and investment approaches. Echo Street's analysis focuses on valuation and value creation and seeks to understand what a company is worth as well as what it is worth relative to other investment opportunities.

Echo Street employs numerous strategies in managing the assets of its Hedge Fund Clients and Managed Account Clients, including:

Fundamental Value. Echo Street engages in a fundamental value investment strategy wherein Echo Street attempts to invest in asset-oriented securities it believes are undervalued by the market.

Short Selling. Echo Street engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales either as a form of hedging to offset potential declines in long positions in similar securities or in an attempt to generate a standalone profit.

Relative Value. Echo Street pursues a relative value strategy by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued or for which it believes the spread between the long and short position represents a pricing anomaly.

Short Term Trading. Echo Street engages in a short term trading strategy wherein the Adviser buys securities and holds them for a relatively shorter period of time, taking advantage of temporary price anomalies and disconnects between Echo's opinion of underlying and market value.

Buy and Hold. Echo Street engages in a buy and hold investment strategy wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price in order to benefit from the underlying company's economic value creation or the security's income production.

Arbitrage Transactions. Echo Street will at times engage in arbitrage strategies. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in other forms. Echo Street may consider opportunities in event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate arbitrage, statistical arbitrage, debt spread arbitrage and index arbitrage.

Option Trading. Echo Street will at times engage in options trading as an extension of the above-mentioned strategies. Options are investments whose ultimate value is determined from the value of the underlying investment. When Echo Street engages in option trading, it is generally by writing puts or writing covered calls, but may also include buy options.

Hedging. The Adviser utilizes a variety of financial instruments and derivatives such as options, interest rate swaps, forward contracts, swaption contracts, and credit default swaps for risk management purposes.

Echo Street employs numerous strategies in managing the assets of its Long Only Clients, including:

Long Only. On behalf of its Long Only Clients, Echo Street pursues a long only investment strategy and does not engage in the short selling of equity securities. Echo Street may attempt to hedge certain investment risks (e.g., currency exposure) but generally will be less hedged to broader equity market forces than private investment funds that engage in the active short selling of equity securities. Accordingly, a Long Only Client's investment portfolio may be subject to a more rapid change in value than would be the case if the Long Only Client maintained a wider diversification of equities and other instruments, or if the Hedge Fund Client engaged in short selling or other hedging techniques.

Buy and Hold. Echo Street generally employs a buy and hold strategy on behalf of its Long Only Clients. Market conditions are likely to, at times, create impairments to the prices of the underlying securities in the portfolio. It is expected that the Adviser will view most of these impairments as temporary. By employing a buy and hold strategy, the Adviser is attempting to capture the long-term value creation of which it believes the companies (such companies categorized internally by Echo Street as "GoodCos") in which Long Only Clients invest are capable.

Long Term Investments. Underlying the GoodCo classification is a belief that GoodCos individually and collectively create attractive long-term shareholder value. Therefore, the Adviser evaluates the Long Only Clients' holdings with an appropriately long time horizon in mind with the goal of capturing long-term value creation rather than short term market dislocations. The Adviser's investment decisions made on behalf of the Long Only Clients may be different than it would be for a similar portfolio with a different time horizon or a private investment fund with a similar time horizon but with different investment objectives.

Low Turnover. Long Only Clients are intended to have relatively low position turnover with an eye towards tax efficiency. Consequently, Long Only Clients enter into brand new positions, add to current holdings or sell positions relatively infrequently. This strategy will often make an investment decision made for a Long Only Client's portfolio different than the investment decision to be made for a similar portfolio with a different turnover goal or a private investment fund with a similar turnover goal but with different investment objectives.

Risks

The methods, strategies, and investments discussed above involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment and any gains and interest. The following risk factors do not purport to be a complete description of the risks involved in investing in the Hedge Fund Clients, Long Only Clients or faced by a Managed Account Client. For a more complete description of the risks involved in any given client, please refer to the offering documents for such client.

Portfolio Turnover. The investment strategy of a client may involve the taking of frequent trading positions, and, as a result, turnover and brokerage commission expenses of a client may significantly exceed those of other investment entities of comparable size.

Short Selling Risk. The Adviser's investment program with respect to its Hedge Fund Clients and Managed Account Clients includes a significant amount of short selling. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on a client'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 a client 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 a client 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.

Relative Value Risk. In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

Arbitrage Transaction Risks. To the extent the Adviser engages in arbitrage strategies, if the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Adviser is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while Echo Street may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

Market Risks; Long Focused Strategy. The profitability of a significant portion of the Long Only Clients' investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Adviser will be able to predict accurately these price movements. Since the Long Only Clients will generally employ a long focused strategy and expect to engage in certain hedging activities on only a limited or occasional basis, a negative change in the broader market may result in a significant decline in the value of the Long Only Clients' assets or a complete loss.

Investors in the Long Only Clients should understand that all investments involve risk and Investors may lose some or all of their investment. Investors should not invest in the Partnership unless they are fully able to bear the financial risks of such investment and are fully able to sustain the possible loss of the Investor's entire investment. Investors should consider an investment in the Long Only Clients as a long-term investment that is appropriate only for a limited portion of an Investor's overall portfolio.

Concentration of Investments; Lack of Diversification. Client accounts may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments. Clients are not subject to any significant limitations on the amount of capital, which may be committed to any one investment. As a result, the client accounts may, from time to time, hold concentrated securities positions, with the result that a loss in any such position could have a material adverse impact on such clients. Furthermore, a client's portfolio may not be diversified among a wide range of issuers, geographic areas, industries or types of securities. In particular, at times when the Adviser has a strong conviction about an investment theme or a particular issuer, a large percentage of a client's assets may have exposure to that theme or issuer. Therefore, the investment portfolio of the clients may be subject to more rapid change in value than would be the case if such clients were required to maintain a wide diversification among issuers, industries, types of securities or investment themes.

Counterparty and Custodial Risk. Echo Street's clients maintain accounts at one or more prime brokers who act as custodian of client assets and/or counterparties to derivative transactions. Echo Street monitors these companies and believes that they are appropriate custodians and counterparties, but there is no guarantee that they will not become bankrupt or insolvent. In such an event, there is no certainty that the client would not incur losses due to either a less than full recovery of assets or from a temporary inability to access those assets.

Brokerage and Custodial Risk. There are risks involved in dealing with the custodians or prime brokers who settle client trades. Echo Street's clients maintain accounts at one or more prime brokers (the "Prime Brokers"). Although the Adviser monitors the Prime Brokers and believes that they are appropriate custodians, there is no guarantee that the Prime Brokers, or any other custodian that a client may use from time to time, will not become bankrupt or insolvent. 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 client assets, the such client would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

A client and/or the Prime Brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of such client. 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 such client as a result of the bankruptcy or insolvency of any such sub-custodian. Such client 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 such client. Under certain circumstances, including certain transactions where a client's assets are pledged as collateral for leverage from non-broker-dealer custodians or non-broker-dealer affiliates of the Prime Brokers, or where a client's 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 such client and such client 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 a client to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as such client 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 such client's rights to its assets in the case of a bankruptcy or insolvency of any such party.

Personnel Risk. Echo Street is heavily dependent on the activities, judgment and availability of Greg Poole. We have contingency plans in the event of Mr. Poole's short-term absence, but we may need to reshape our obligations to clients in the event of his death or permanent disability. In addition, should some clients and Investors request to withdraw their funds as a result, the resulting loss of revenue could negatively impact the Adviser and clients.

Leverage. Performance may be more volatile if a client's account employs leverage. This results in our clients controlling substantially more assets than they have in equity. The use of leverage exposes our clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had our clients not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds our clients' of borrowing such funds. In the event of a sudden, precipitous drop in value of our clients' assets, our clients might not be able to liquidate assets quickly enough to repay their borrowings, further magnifying its losses.

Nature of Investments. The Adviser has broad discretion in making investments for the clients. Investments will generally consist of securities that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of a client's activities and the value of its investments. In addition, the value of any client's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that any client's investment objective will be achieved.

Currency Risks. Clients may have exposure to fluctuations in currency exchange rates. A client may, in part, seek to offset the risks associated with this exposure or enter into foreign exchange transactions to increase its returns.

These transactions involve a significant degree of risk and foreign exchange markets are volatile, specialized and technical. Significant changes, including changes in liquidity and prices, can occur in these markets within very short periods of time. Changes in exchange rates over time are the result of many factors directly or indirectly affecting the economic and political conditions in the country or economic region associated with a specific currency. Exchange rates fluctuate for a number of reasons. Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the value of other currencies. However, governments do not always allow their currencies to float freely in response to economic forces. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the trading value of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. The value of a client could be affected by the actions of sovereign governments, which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders. Additionally, market perceptions of the relative strength or cohesion of a specific political state or monetary union can dramatically affect the value of a currency. Fluctuations in exchange rates may negatively impact the value of an investment in a client to the extent such client has currency exposure in the form of a hedge, a non-U.S. dollar denominated instrument or as a standalone position.

Foreign Exchange Forward Contracts. Clients may enter into foreign exchange forward contracts. Foreign currency forwards are used as a foreign currency hedge where a client will have an obligation to either pay or receive a foreign currency payment at some point in the future. For example, a client may enter into a forward contract to pay a fixed amount in euros at a future date. As the exchange rate of the forward contract fluctuates, the value of the forward contract fluctuates. If a client enters into a forward contract that obligates such client to pay an amount in a foreign currency in the future and that currency appreciates relative to the U.S. dollar, such client will lose money. Conversely, if the forward contract obligated such client to receive a foreign currency and that currency depreciates relative to the U.S. dollar, such client will lose money. Investments related to currencies involve significant risks. See “Currency Risks.”

Settlement Risk in Developing Markets. Settlement procedures in developing markets are often less developed and reliable than those in the United States (and other developed countries). There may be no central clearing mechanism of settling trades and no central depository or custodian for the safe keeping of securities. The registration, record-keeping and transfer of instruments may be carried out manually, which may cause delays in the recording of ownership. In the United States, securities generally settle on a “T+2” basis, which refers to a settlement that occurs on the second business day following the transaction date. In other jurisdictions, the settlement period may be longer, which can lead to delays in valuation, and therefore, the timing of any redemption. Moreover, certain markets have experienced periods when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. The overall differences between the settlement procedures in the developing markets may affect valuations, postpone redemptions and potentially negatively impact the net asset value of a client.

Interest Rate Risks. Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities. Interest rate risks may include the following:

- **Directional Movement in Interest Rates.** Changes in interest rates cannot be reliably predicted. General shifts in the level of interest rates may immediately affect the value of a client and, depending on the composition of the client, may adversely affect its net performance. This risk would be greater for time periods less than the holding period of the investment targeted in the design of the client. In addition, realized returns may depend not only on the level of rates, but also on the path along which rates move over the time from portfolio inception to the investment horizon.

- **Correlation of Rates.** Global government bond and swap curves exhibit irregular cycles during which fluctuations of adjacent components (yields for different maturity instruments) are highly correlated for extended periods, followed by brief episodes in which the correlations dramatically decline and the yield curve steepens, flattens or kinks. Although the loss of correlation can be clearly observed in retrospect, it is difficult to anticipate precisely the timing or the changes in the shape of the yield curve. The value of each client, which may be composed of instruments with differing maturities, coupons and embedded option features, will be exposed to changes in yield curve shape.
- **Volatilities of Interest Rates.** The value of each client may depend upon two types of volatilities (measured as the standard deviation of the log of the period to period difference in interest rates): (1) the volatility of rate fluctuations experienced in the market; and (2) the implied volatility used to price options in the market. The relationship between the two is neither well-defined nor intuitive and cannot generally be anticipated. The clients may trade in various types of options and securities with embedded options, and as such their immediate value may be affected by the increase or decline in implied volatility due to its effect on options prices, whether or not actual rate changes are experienced.

Lower-Rated Securities. The Hedge Fund Clients and Managed Account Clients may invest a substantial portion of their assets in fixed income securities rated lower than Baa by Moody's or lower than BBB by S&P (or, if not rated, deemed by the Adviser to be of comparable quality). Securities rated lower than Baa by Moody's or lower than BBB by S&P are sometimes referred to as "high yield" or "junk" bonds. Securities rated Baa are considered by Moody's to have some speculative characteristics. Lower-rated securities may include securities that have the lowest rating or are in default. Investing in lower-rated securities involves special risks in addition to the risks associated with investments in higher-rated fixed income securities, including a high degree of credit risk. Lower-rated securities may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers/issues of lower-rated securities may be more complex than for issuers/issues of higher quality debt securities. Lower-rated securities may be more susceptible to losses and real or perceived adverse economic and competitive industry conditions than higher grade securities. Securities that are in the lowest rating category are considered to have extremely poor prospects of ever attaining any real investment standing, to have a current identifiable vulnerability to default, and to be unlikely to have the capacity to pay interest and repay principal. The secondary markets on which lower-rated securities are traded may be less liquid than the market for higher grade securities. Less liquidity in the secondary trading markets could adversely affect and cause large fluctuations in the value of a client's portfolio. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of lower-rated securities, especially in a thinly traded market. Furthermore, with respect to certain residential and commercial mortgage-backed securities, it is difficult to obtain current reliable information regarding delinquency rates, prepayment rates, servicing records, as well as updated cash flows. The use of credit ratings as the sole method of evaluating lower-rated securities can involve certain risks. For example, credit ratings evaluate the safety of principal and interest payments, not the market value risk of lower-rated securities. In addition, credit rating agencies may fail to change credit ratings in a timely fashion to reflect events since the security was rated.

Corporate Debt Obligations. Certain clients may invest in corporate debt obligations, including commercial paper. Corporate debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations. These instruments still bear risk of significant adverse price movements, interest rate risk, lack of liquidity and default. Each of these risks may be exacerbated by adverse publicity, investor perceptions, accounting issues, corporate malfeasance, credit downgrade and extreme market conditions.

Special Situations. Certain clients may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction 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 to any client 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 client 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 a client may invest, there is a potential risk of loss by a client of its entire investment in such companies.

Equity Related Instruments in General. The clients may invest in equity-related instruments, including but not limited to publically listed equity securities in the U.S. or abroad, privately offered equity securities or financial instruments that may reference a single issuer, a specific sector or a broad equity index. Equity securities represent ownership interests in their respective issuers and generally carry the most risk associated with a specific issuer's capital structure. The clients may invest in entities whose capital structures have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase their exposure to adverse economic factors. Additionally, the securities acquired by the clients may be the most junior securities in what may be a complex capital structure, and thus subject to the greatest risk of loss. The price of equity securities and their related financial instruments vary for a variety of reasons, including but not limited to supply and demand of the equity securities, the actual or perceived business opportunities associated with the issuer, the current and potential future cash flow of the issuer, the issuer's management, their ability to execute on a specific business plan, the general economic environment and the outlook for the overall economy. To the extent a client owns an equity security or otherwise has exposure to an equity-related financial instrument, such investment carries the risks associated with owning equities and may also carry risks associated with the form of financial instrument (e.g., options, derivative or securities-based futures contract). Any investment in equities or equity-related instruments entails a significant risk of loss.

Model Risk. The clients' investment strategies are based, in part, upon a number of quantitative approaches, systematic analysis, algorithms or other models. As with any model-driven or other quantitative strategy, a client's investment strategy and its resulting performance are subject generally to model risk (i.e., the consequences of any inaccuracy, flaw or limitation of the quantitative model). Models are generally based upon historical data, which is not indicative of the future performance of any investments in a client. The Adviser is continually engaged in the evaluation and refinement of investment models reflected in its strategies. It may also modify existing models, discontinue use of certain models or add other models or other investment methodologies in the future. Models to be employed by the Adviser are intended to identify and capture favorable investment opportunities or to limit certain types of risks, or possibly both. However, there is no assurance that the use of any such models will necessarily fulfill their intended objectives or assure investment success in future markets and environments.

Restricted or Non-Marketable Securities. Certain clients' investments in restricted or non-marketable securities may involve a high degree of business and financial risk that can result in substantial losses. There may be no existing market for the purchase and sale of such investments and a client may not be able to readily sell such investments. In addition, certain clients' assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded, making purchase or sale of such securities at desired prices or in desired quantities difficult or impossible. Furthermore, the sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to value any such investments accurately.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources, which could present a greater risk of loss.

Small to Medium Capitalization Companies. Clients may invest a portion of their assets in the stocks of companies with small-to medium-sized market capitalizations. While the Adviser believes these investments often provide significant potential for appreciation, investments in those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Non-U.S. Securities. Foreign (non-U.S.) investments (e.g., purchasing securities issued by a non-U.S. sovereign or company) entail certain risks that are not typically associated with investing in financial products sold in the U.S. Foreign investments may be subject to exchange rate risk, currency control regulations, political and social instability, expropriation, imposition of foreign taxes (including withholding taxes), less liquid markets and less available information than is generally the case with respect to U.S. investments, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, potential uncertainty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. As a result, a client may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with these markets. It may also be difficult to enforce a client's rights in these markets. The protections accorded to clients under certain U.S. investments and federal and state laws and regulations may not be available when making an investment outside of the U.S.

REITs. Certain clients may invest in companies in the real estate industry and, therefore, may be subject to risks associated with the direct ownership of real estate, such as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions, increases in operating costs and property taxes, changes in zoning laws, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent and fluctuations in rental income. Real estate investment trusts ("REITs") in which those clients invest may be affected by changes in underlying real estate values, which may have an exaggerated effect to the extent that REITs in which those clients invest may concentrate investments in particular geographic regions or property types. Additionally, rising interest rates may cause investors in REITs to demand a higher annual yield from future distributions, which may in turn decrease market prices for equity securities issued by REITs. Rising interest rates also generally increase the costs of obtaining financing, which could cause the value of a client's investments to decline. During periods of declining interest rates, certain mortgage REITs may hold mortgages that the mortgagors elect to prepay, which prepayment may diminish the yield on securities issued by such mortgage REITs. In addition, mortgage REITs may be affected by the ability of borrowers to repay when due the debt extended by the REIT and equity REITs may be affected by the ability of tenants to pay rent. Certain REITs have relatively small market capitalizations, which may tend to increase the volatility of the market price of securities issued by such REITs. Furthermore, REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects. REITs depend generally on their ability to generate cash flow to make distributions to investors.

Emerging Markets. The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

Options. Trading options is highly speculative and may entail risks that are greater than investing in other financial instruments. Prices of options are generally more volatile than prices of other financial instruments. In trading options, the Adviser speculates on market fluctuations of the underlying financial instrument (e.g., a security, an

index, a commodity, exchange rate or other instrument), while only investing a small percentage of value relative to a client's potential exposure. The price of any option is a function of direction (e.g., whether the option is a "put"—the right to sell—or a "call"—the right to buy), the time to expiry and the implied volatility of the underlying instrument. A client may "sell" an option, which means it receives a small payment, or premium, relative to a notional amount, or a client may "buy" an option, which means it pays a premium to receive exposure to a larger notional amount. A "seller" of options is generally exposed to the entire notional amount of the option contract, and can be exposed to even more risk if it is selling a call option. A "buyer" of options risks losing all of its investment if the option expires "out of the money" (i.e., the trade goes against that option buyer). Purchasing put and call options, as well as writing these options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor will be small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

Derivatives. Derivatives, such as futures contracts, options, forward contracts, swaps, caps, floors and collars, allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, or index at no cost or at a fraction of the cost of investing in the underlying asset. The value of this type of instrument depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to trading derivatives related to this asset. Use of derivative instruments presents various risks which include the following:

- Tracking - When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent a client from achieving the intended hedging effect or expose such client to the risk of loss.
- Liquidity - Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets a client may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which a client may conduct transactions in derivative instruments may prevent prompt liquidation of positions, subjecting such client to the potential of greater losses.
- Leverage - Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments magnifies the gains and losses experienced by a client and could cause such client's net asset value to be subject to wider fluctuations than would be the case if such client did not use the leverage inherent in derivative instruments.
- Over-the-Counter Trading - Derivative instruments that may be purchased or sold by a client may include instruments that are not traded on an exchange. The risk of non-performance by the obligor on these instruments may be greater and the ease with which such client can dispose of or enter into closing transactions with respect to these instruments may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between "bid" and "ask" prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange-traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with these transactions.
- Regulation of Over-the-Counter (OTC) Transactions - The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank") includes provisions that comprehensively regulate the OTC derivative market. Dealers and other market participants are subject to

additional clearing and margin requirements, as well as registration obligations and other regulatory requirements, such as business conduct standards, disclosure requirements, reporting and recordkeeping requirements and disclosures of conflicts of interest and other regulatory burdens. These ongoing requirements increase the overall cost for OTC derivative dealers and other market participants, which are generally passed along, at least partially, to market participants, such as the clients, in the form of higher fees, decreased liquidity, less advantageous dealer marks and increased margin costs. The overall impact of Dodd-Frank remains highly uncertain and it is still unclear how OTC markets and markets generally will adapt to the full implementation of this regulation, particularly given that U.S. Congress is currently considering repealing or modifying parts of the legislation.

To the extent a client has entered into a derivative, such client will be exposed to the risks described above.

Over the Counter Derivative Counterparty Risk (OTC). Transactions entered into directly between two counterparties generally do not benefit from protections generally associated with exchange-traded or cleared transactions, such as clearing organization guarantees, daily marking-to-market, initial margin, variable margin, daily settlement, segregation and minimum capital requirements applicable to intermediaries. By entering into OTC derivatives, a client exposes itself to the default risk of its counterparty. In comparison, for cleared or exchange-traded transactions, the transacting parties each enter into a transaction with an exchange or derivative clearing organization ("DCO"), as applicable. The exchange or DCO acts as an intermediary, and through the posting of initial and variable margin and the financial guarantees from its members, exchanges and DCOs seek to reduce counterparty risk. Transactions entered directly between two counterparties generally do not benefit from the protections associated with transacting on an exchange or through a DCO and each party is exposed to the credit risk of the other. To the extent a client has entered into an OTC derivative with a counterparty and that counterparty enters bankruptcy, receivership or otherwise defaults on its obligations, the value of such client's assets may be negatively affected.

Swap Agreements. Clients may enter into derivative transactions in the form of a swap agreement. A swap agreement is a contract between two parties, where the term of the contract ranges from a few weeks to ten (10) years or longer. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular investments or instruments. The gross returns exchanged or "swapped" between the parties are calculated with respect to a "notional amount," (i.e., the return on or increase in value of a particular amount invested at a particular interest rate, in a particular non-U.S. currency or security, or in a "basket" of securities representing a particular index, or in one or more other underlying measures). The "notional amount" of the swap agreement is only a reference basis on which to calculate the obligations that the parties to a swap agreement have agreed to exchange. Swap agreements calculate the obligations of the parties on a "net" basis. Consequently, a client's obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount"). The risks posed by these swap agreements are extremely complex and involve leverage. These risks include (but are not limited to): (1) credit risks (e.g., the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risk (e.g., adverse movements in the price of a financial asset); (3) legal risks (e.g., the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contractual rights); (4) operations risk (e.g., inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (e.g., exposure to losses resulting from inadequate documentation); (6) liquidity risk (e.g., exposure to losses created by inability to prematurely terminate the derivative); (7) systematic risk (e.g., the risk that financial difficulties in one institution or a major market disruption may cause uncontrollable financial harm to the financial system); (8) concentration risk (e.g., exposure to losses from the concentration of closely related risks, such as exposure to a particular region, index, industry or entity); and (9) settlement risk (e.g., the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty). Swap agreements may also contain specific portfolio-level requirements and parameters involving, among other things, maintenance of

minimum client net assets, maximum net asset value drawdown restrictions, and risk exposure limitations and volatility triggers which, when triggered, may permit a client's counterparties to, among other things, substantially curtail such client's trading activities and/or liquidate all or a portion of such client's portfolio. If a client's trading activities trigger one or more of these automatic termination events, the client's ability to continue to trade and/or manage its positions may be materially adversely affected.

Exchange-Traded Funds. Certain clients will invest in exchange-traded funds ("ETFs"), which are registered investment companies. Investments in an ETF are also subject to the fees and expenses of that ETF, which may include a management fee payable to the adviser of the ETF and other fund expenses. The Investment Company Act restricts a private investment fund's ownership in a registered investment company to 3% of the voting securities of such registered investment company. This restriction may limit a client's ability to own certain ETFs, and as a result of this limitation, a client may not be able to carry out its investment objective. Additionally, clients' positions in ETFs are subject to a number of risks associated with the management and market conditions of the ETFs. These include (but are not limited to):

- **Delisting** – An ETF may be delisted and liquidated at the discretion of its issuer or sponsor. If a client holds a position in an ETF when it is delisted, the client will become subject to that ETF's lack of liquidity. To the extent the ETF is liquidated, the client may become subject to costs associated with the ETF's liquidation and additional taxes associated with any cash distributions from the liquidation.
- **Price and Market Maker Instability** – The supply and demand of shares of an ETF and the trading price relative to an ETF's net asset value are kept in balance by its authorized participants. The authorized participants are not contractually bound to insure an orderly market in ETFs and are incentivized economically to buy ETF shares when shares are trading at a discount and sell those ETF shares when the shares are trading at a premium. Therefore, the supply-demand balance of an ETF is solely a function of the market and may be impacted by external factors, such as volatile markets or the liquidity and the financial conditions of an authorized participant. If authorized participants do not participate in the available price arbitrage, an ETF may experience tracking error and that may negatively affect the value of a client's position in that ETF.
- **Hidden Illiquidity** – The liquidity of an ETF is determined not only by the ETF's own market liquidity but how easy or difficult it is to transact in the ETF's constituent instruments. If one or more of an ETF's constituent instruments becomes difficult to buy or sell, the ETF may become difficult to transact or experience tracking error that negatively affects the value of a client's position in the ETF.
- **Borrow Availability** – A client's ability to take short positions in an ETF is subject to borrow availability. Such client's ability to take optimal positions in ETFs may be adversely affected by one or more ETFs becoming hard to borrow.
- **Constituent Fluctuation** – ETFs on equity indices attempt to track their underlying indices closely. However, the issuer may in its discretion temporarily introduce ex-index constituents to the ETF, including ex-index equities and foreign currencies. This may introduce risks and tracking error that are difficult to assess and that may negatively affect the value of a client's position in the ETF.
- **Additional Taxation** – Depending on the ETF's structure, a client may be subject to additional taxation on distributions from ETFs.

Additional Risks Relating to the Adviser

Cybersecurity Risk. The information and technology systems of the Adviser and of key service providers to the Adviser and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

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

Systems and Operational Risk. The Adviser relies heavily on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Item 9. Disciplinary Information

Neither Echo Street nor any of its supervised persons have been the subject of any legal or disciplinary event that would be material to your evaluation of Echo Street or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Financial Industry Activities

Neither Echo Street nor its management persons are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

Neither Echo Street nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

Affiliations

The General Partner of our Hedge Fund Clients, Echo Street Capital Advisors, LLC, is an affiliate of Echo Street. In its capacity as General Partner, Echo Street Capital Advisors, LLC receives a performance-based allocation from the Hedge Fund Clients as well as files an exemption for registration as a commodity pool operator.

The General Partner of our Long Only Clients, Echo Street Capital GP, LLC, is an affiliate of Echo Street. In its capacity as General Partner, Echo Street Capital GP, LLC files an exemption for registration as a commodity pool operator.

Except as noted above, neither Echo Street nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, commodity pool operators, commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers or law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers or other sponsors or syndicators of limited partnerships.

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

Code of Ethics and Personal Trading.

Echo Street has adopted a Code of Ethics (the "Code") that obligates it (and its supervised persons) to put the interests of Echo Street's clients before its own interests, to act honestly and fairly in all respects in their dealings with clients, as well as to comply with applicable federal securities laws. A copy of the Code is available for review by clients and prospective clients upon request.

As part of the Code, Echo Street has established a personal trading policy. To ensure that employees and related persons do not disadvantage clients through personal trading, any purchase or sale of any security for a personal account, other than a broad-based ETF or Mutual Fund or a non-broad-based ETF that is not considered a "Watched Security" (as defined below), must be pre-approved. Except as described below, the approval can be from either the CFO or the CCO and is good for trading on that same business day. In addition, securities that Echo Street currently holds, is in the process of purchasing or selling, or is considering purchasing or selling on behalf of its clients are considered "Watched Securities." Permission to trade a Watched Security must be received from at least two of the following: the CFO, the CCO, or the Managing Member, and will only be granted on a given day once a decision has been made and fully actioned with respect to that security and client accounts. Even then permission may be denied if, in the opinion of the CFO, CCO or Managing Member, such transaction would have an adverse economic impact on any of Echo's clients. All securities are subject to a minimum holding period unless otherwise stated in the Code.

Echo Street, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which Echo Street or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any client or other person. Echo Street maintains written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to a client or using such information for a client's benefit. In such circumstances, Echo Street will have no responsibility or liability to a client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

Conflicts of Interest.

The conflicts of interest encountered by the clients may include those discussed below, though the discussion below is not exhaustive and does not necessarily describe all of the conflicts that may be faced by the Adviser, its affiliates or its other clients. Other conflicts may be disclosed throughout this brochure and in the offering documents of each Fund Client and these materials should be read in their entirety.

Echo Street does not engage in or maintain an account for proprietary trading itself. The owners and employees of Echo Street may have a direct investment or other economic interest in one or more of the Adviser's Fund Clients. Consequently, there may be a conflict of interest between different accounts. Echo Street's Compliance Manual and Code of Ethics specifically state that all accounts are to be treated fairly and in compliance with their investment guidelines.

Each of the Adviser and, to the extent a Fund Client is organized as a partnership, each Fund Client's respective general partner, will use its best efforts in connection with the purposes and objectives of the clients and will

devote so much of their time and effort to the affairs of the clients as may, in the Adviser's judgment and its fiduciary duty to the clients, be necessary to accomplish the purposes of the clients. The terms of the Fund Clients' governing documents specify that the general partner and directors of the Fund Clients, as applicable, the Adviser and their respective members, officers, employees, agents, affiliates and representatives (collectively, the "Affiliated Parties") may conduct any other business, including any business within the securities industry, whether or not such business is in competition with such Fund Clients. Without limiting the generality of the foregoing, any of the Affiliated Parties may act as investment adviser or investment manager for others, may manage private investment funds, separate accounts or other forms of capital for affiliated and unaffiliated clients and may serve as an officer, director, manager, member, consultant, partner, shareholder, investor or otherwise interested party of one or more investment funds, partnerships, broker-dealers, investment advisers or public or private companies. The Affiliated Parties, through other investments, including other private investment funds or managed accounts, may also have positions that are opposite to, or otherwise may be contrary to, positions held by the clients.

The Long Only Clients, the Hedge Funds Clients and the Managed Account Clients each have different investment objectives and strategies from one another, and the Adviser may in the future advise private investment funds and/or managed accounts with investment objectives and/or strategies that are substantially similar to or different from its existing funds. These private investment funds and/or managed accounts may have different terms, including different fees and liquidity terms. The Adviser's investment decisions made on behalf of a client may be different than it would be for a similar investment product with a different time horizon or a private investment fund with a similar time horizon but with different investment objectives. Therefore, for example: (i) Echo Street may be short certain securities on behalf of one client when another is long or buying those securities; (ii) Echo Street may enter, hold, or add to long positions in securities of companies on behalf of some but not all clients; (iii) a particular investment may be bought or sold in different amounts and/or at different times for one or some but not all clients, even though it could have been bought or sold for other clients at the same time; (iv) purchases or sales of the same investment may be made for two or more clients on the same date but at different prices as a result of purchase timing; and (v) a particular investment may be bought for one or more clients when one or more other clients are selling the investment.

These positions and actions may adversely affect or benefit certain clients at different times. There can be no assurance that a client will not receive less (or more) of a certain investment than it would otherwise receive if Echo Street did not have a conflict of interest among clients. In effecting transactions, it may not be possible, or consistent with the investment objectives of the various clients of the Adviser to purchase or sell securities at the same time or at the same prices.

To the extent permitted by applicable law, Echo Street's compliance policies and procedures and a client's investment guidelines, Echo Street may engage in "cross trades" where, as investment manager to a client account, the Adviser causes that client account to purchase a security directly from (or sell a security directly to) another client account. Cross trades present a conflict of interest because the Adviser represents the interests of both the selling account and the buying account in the same transaction and may have a financial incentive to favor one client account over the other due to different fee arrangements or otherwise.

From the standpoint of a given client, simultaneous identical portfolio transactions for that client and the other clients may tend to decrease the prices received, and increase the prices required to be paid, by the client for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among clients in a fair and equitable manner as determined by the Adviser. Further, it may not always be possible or consistent with the investment objectives of the various persons or entities described above and of a client for the same investment positions to be taken or liquidated at the same time or at the same price. All transactions on behalf of clients will be effected consistent with the Adviser's duty to seek best execution.

It should also be noted that the Prime Brokers and the Administrator act as prime brokers and administrator, respectively, for other funds and thus may have conflicts from time to time.

Allocations will be made among client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and/or an Investor's or a Managed Account Client's status as a "restricted person" or as a person whose eligibility to participate in IPOs is otherwise restricted under applicable regulations. Only those Investors that have established their eligibility to participate in IPOs with the Adviser can participate in IPO allocations. The Long Only Clients will not invest in IPOs, as they are outside of the strategy's investment parameters.

See Item 6 for a further description of allocation and aggregation considerations.

As a result of the foregoing, the Affiliated Parties may have conflicts of interest (a) in allocating their time and activity among Echo Street's clients, (b) in allocating investments among Echo Street's clients and (c) in effecting transactions for Echo Street's clients. This conflict of interest is heightened specifically in the circumstances where the Affiliated Parties may have a greater financial interest.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors or breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that clients are treated fairly. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a client account incurs a trade error as a result of the Adviser's gross negligence, willful misconduct, or violation of applicable laws, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the client account.

Item 12. Brokerage Practices

Echo Street retains full discretion to select the broker or dealer to execute client transactions. The Adviser considers a number of factors in selecting a broker-dealer and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, efficiency of execution and error resolution. In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation, Echo Street need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Echo Street's general practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's CFO, CCO, Head Trader and Director of Research and Trading meet periodically to evaluate the broker-dealers used by the Adviser and the reasonableness of their compensation.

Echo Street receives research or other products or services other than execution from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("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.

Echo Street's CFO, CCO, Head Trader and Director of Research and Trading meet 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 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 Echo Street exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

Echo Street may cause clients to pay commissions higher than the lowest cost available from other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for clients.

Research and brokerage services obtained by the use of commissions arising from the portfolio transactions of one client, or one of the Adviser's other clients, may be used by the Adviser to service accounts other than the client that generated the commissions. The Adviser is not required to allocate the benefits provided with a particular soft dollar expenditure to a particular client and may not do so. Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of other client accounts.

Echo Street does not currently accept any client arrangements that require it to direct a portion or all of the client's brokerage to a specific broker-dealer, nor does Echo Street require that its clients direct it to execute transactions through a specified broker-dealer.

During the Adviser's last fiscal year, as a result of client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired:

- Company specific research reports;
- Market research reports;
- Financial and economic newsletters and trade journals;
- Corporate governance research and rating services;
- Attendance at certain seminars and conferences;
- Discussions with research analysts;
- Meetings with corporate executives;
- Data services (including services providing market data, company financial data and economic data);
- Advice from broker-dealers on order execution;
- Consultants advice on portfolio strategy;
- Access to investment research organization platforms

Echo Street may participate in "client commission arrangements" pursuant to which the Adviser may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. The Adviser excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations.

From time to time Echo Street may participate, and has participated, in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend these private funds as an investment to clients. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

Echo Street often purchases or sells the same security for many clients contemporaneously and using the same executing broker. When the instruction to a particular broker for a purchase or sale of securities for multiple clients is identical, the orders are generally aggregated. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. However, in cases where the client has negotiated the commission rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade. In cases where trading or investment restrictions are placed on a client's account, the Adviser may be precluded from aggregating that client's transaction with others. In such a case, the client may pay a higher commission rate and/or receive less favorable prices than clients who are able to participate in an aggregated order. When an aggregated order is completely filled, the Adviser generally allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades,

generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating clients.

Item 13. Review of Accounts

Each client account is independently reviewed, on a daily basis, by the Portfolio Manager and the CFO to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include, but are not limited to, specific securities held, adherence to investment guidelines and the performance of each client account.

Echo Street does not provide reports to its Fund Clients. However, Investors in Fund Clients receive reports from the applicable Fund Client pursuant to the terms of such Fund Client's offering documents. This includes periodic capital statements, generally monthly, produced and distributed by the Fund Clients' independent Administrator. Investors also receive independently audited financial statements for the Fund Client within 120 days of the Fund Client's fiscal year-end. Upon request, Echo Street may provide Investors of Fund Clients with certain reports relating to their accounts and activities of the Fund Client.

Each Managed Account Client will receive reports relating to the net asset value of their account at least quarterly from Echo Street. Such reports may be delivered electronically to the Managed Account Client in accordance with the Managed Account Client's agreement with Echo Street.

Item 14. Client Referrals and Other Compensation

The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including Echo Street’s procedures for addressing conflicts of interest that arise from such practices.

In addition, we may, from time to time, participate, and have in the past participated, in capital introduction programs arranged by broker-dealers. In the event that such capital introductions result in additional investors in our Fund Clients or additional Managed Account Clients, it may result in additional compensation to the broker-dealers we use. The prospect of receiving capital introductions from a broker-dealer is not, and will not be, a primary consideration in determining whether to engage or retain their services.

Item 15. Custody

While the disclosure requirements under this item are not applicable to Echo Street, it should be noted that affiliates of Echo Street act as the General Partner to their Fund Clients. Fund Clients have their independent Administrator provide account statements to Echo Street and send official statements on behalf of the client to each of its Investors on a periodic basis, generally monthly, to their address of record. Additionally, all Fund Clients are audited annually by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board and audited financial statements prepared in accordance with generally accepted accounting principles are sent to all Investors within 120 days of the end of the respective Fund Client's fiscal year.

Each Managed Account Client will receive reports relating to the net asset value of their account at least quarterly from Echo Street and regarding all holdings and trading activity, from the qualified custodians.

All client funds and securities are held at qualified custodians.

Item 16. Investment Discretion

Echo Street provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations that may be placed on the Adviser's discretionary authority and Item 6 for a summary of the Adviser's allocation policy.

Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Item 17. Voting Client Securities

Echo Street has proxy voting policies and procedures that are designed to prevent conflicts of interest from influencing proxy voting decisions it makes on behalf of clients and to help ensure that such decisions are made in accordance with Echo Street's fiduciary obligation to act in the best interests of its clients. Echo Street will generally vote with management's recommendations; however, Echo Street may choose to vote against management at any time. The Adviser has entered into an agreement with an independent third party (the "Proxy Voting Service") to provide the Adviser with its research on proxies and to facilitate the electronic voting of proxies. The Adviser has instructed the Proxy Voting Service to execute all proxies in accordance with Echo Street's above-referenced proxy voting policies, and Echo Street retains the ability to vote against management at any time.

The Adviser's clients and Investors are not permitted to direct their votes in a particular proxy solicitation.

If a material conflict of interest between Echo Street and a client exists, Echo Street will advise the client of the existence of such conflict and determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the client or whether some other appropriate action should be taken.

Echo Street's proxy voting policies and procedures are available to any client, prospective client, and Investor upon request sent to information@echocap.com.

In addition, if "Class Action" documents are received by Echo Street on behalf of clients, Echo Street will ensure that clients either participate in, or opt out of, any class action settlements received. Echo Street will determine if it is in the best interest of clients to recover monies from a class action. In the event Echo Street opts out of a class action settlement, Echo Street will maintain documentation of any cost/benefit analysis to support its decision.

Item 18. Financial Information

Echo Street does not require or solicit prepayment of fees six months or more in advance, so the balance sheet information is not required.

Echo Street does not currently have any financial commitments that might impair its current or future ability to meet its contractual commitments to clients and it has not been the subject of a bankruptcy petition at any time during the last ten (10) years.

Item 19. Requirements for State-Registered Advisers

Not Applicable.