

**Item 1 – Cover Page**

**ADV Part 2A: FIRM BROCHURE**

**Central Square Management LLC**

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This brochure provides information about the qualifications and business practices of Central Square Management LLC (“Central Square”). If you have any questions about the contents of this brochure, please contact us at (630) 210-8923 or [kelly.cardwell@csquarecapital.com](mailto:kelly.cardwell@csquarecapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Central Square is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Central Square also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

In July 2016, Central Square began providing investment management services to a separate privately-offered fund (referred to as the “Managed Account”). The Managed Account is tailored to the investment objectives and investment restrictions, as set forth in its governing documents, with the biggest difference being that the Managed Account owns more liquid securities than the Central Square Funds.

On November 30, 2016, Central Square Capital Master LP (the “Master Fund”) and Central Square Capital Offshore Ltd., (the “Offshore Feeder Fund”) ceased operations and commenced the liquidation process. Effective December 1, 2016, Central Square Capital II LP, (“Fund II”) began operating as a standalone partnership and conducting its own investment and trading activities.

Items 4 - 18 have been changed as a result of the above changes in the business and the document should be read carefully in its entirety.

Currently, Central Square’s Brochure may be requested by contacting Kelly Cardwell at (630) 210-8923. The Brochure is also available, free of charge, from the SEC’s Investment Advisor’s Public Disclosure Website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)). The SEC’s website also provides information about any persons affiliated with Central Square who are registered as investment adviser representatives of Central Square.

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## Item 4 – Advisory Business

### Firm Description

Central Square Management LLC, a Delaware limited liability company (“Central Square” or “Investment Manager”), began operations in August 2007. Central Square serves as the investment manager for and provides discretionary investment advisory services to the following investment funds: (i) Central Square Capital LP, a 3(c)(1) partnership (“Fund I”), (ii) Central Square Capital II LP, a 3(c)(7) partnership and a US feeder-fund (the “Fund II”), (iii) Central Square Capital Offshore Ltd., the offshore fund (the “Offshore Feeder Fund”) and (iv) Central Square Capital Master LP (the “Master Fund”). Fund II and the Offshore Feeder Fund invested substantially all of its assets into the Master Fund between September 2011 to November 2016. On November 30, 2016, the Master Fund and Offshore Feeder Fund ceased operations and commenced the liquidation process. Effective December 1, 2016, Fund II began operating as a standalone partnership and conducting its own investment and trading activities. Fund I and Fund II pursue essentially the same strategy as the Master Fund did. Fund I, Fund II, Offshore Feeder Fund and the Master Fund are collectively referred to herein as “Central Square Funds” or “Funds” and each a “Fund”. Central Square acts as investment manager for the Central Square Funds listed above.

Central Square also provides investment management services, as a sub-advisor, to a separate privately-offered fund (referred to as the “Managed Account”). The Managed Account is tailored to the investment objectives and investment restrictions, as set forth in its governing documents, with the biggest difference being that the Managed Account owns more liquid securities than the Central Square Funds. Investors in the Central Square Funds are not solicited for investment in the Managed Account. In addition, the Central Square Funds do not invest in the Managed Account. A separate entity that is solely owned by Kelly Cardwell is invested in the Managed Account.

The members, managers, directors, officers and employees of Central Square are collectively referred to herein as “affiliates”.

The Central Square Funds’ investment objective is to achieve consistently superior capital appreciation primarily through investments in equity securities and other equity-related instruments. The Funds invest in securities of U.S. and non-U.S. companies regardless of their capitalization. The Funds’ portfolios include companies spanning the market-cap spectrum from micro-cap to large cap with varying degrees of market liquidity. The Funds also at times invest in non- securities and other instruments, including, but not limited to, American Depositary Receipts. The Funds’ investment strategy includes the use of leverage from time to time in pursuit of additional return. The Funds also takes short positions in securities, either as a fundamental short or a hedging short. In addition to short positions, the Funds also invest in a variety of derivative instruments, including, without limitation, options and currency agreements, which are used to attempt to hedge

existing long and short positions, as well as for independent profit opportunities. These types of investments carry risks that are outlined in Item 8 below.

The Managed Account's investment objective is similar to the objectives of the Central Square Funds, with the biggest difference being that the Managed Account owns more liquid securities. The investment restrictions and provisions are set forth in its governing documents.

Central Square has full discretion in trading on behalf of the Central Square Funds. It is not required to, nor does it seek, approval from the Funds or the investors in the Funds with respect to its trading. Central Square does not tailor its advisory services to the individual needs of investors in the Funds and investors in the Funds may not impose restrictions on investing in certain securities or types of securities. Central Square does not participate in wrap fee programs.

Investment advice for the Managed Account is provided directly to the Managed Account and is tailored based on the investment objectives and investment restrictions set forth in its governing documents.

As of December 31, 2016, Central Square has regulatory assets under management of approximately \$92,118,817, all of which are managed on a discretionary basis in Central Square's sole discretion.

### **Principal Owners/Ownership Structure**

Central Square Management LLC is a single member limited liability company of which Kelly Cardwell is the sole owner.

The Central Square Funds are structured as follows. Fund I is owned 26% by its general partner, Central Square GP LLC (the "Fund I GP") and its affiliates, and the remainder by its investors. The U.S. Master Fund is owned 6% by its general partner, Central Square GP II LLC (the "Fund II GP") and its affiliates, and the remainder by its respective investors. Fund II is owned 13% by its general partner, Central Square GP II LLC (the "Fund II GP") and its affiliates, and the remainder by its respective investors. Each Fund's general partner is a relying adviser deemed registered with the SEC and subject to Central Square's compliance program.

### **Item 5 – Fees and Compensation**

In consideration for the investment management services provided to the Central Square Funds, investors pay Central Square a management fee based on each investor's investment in the Central Square Funds. Generally, Central Square charges a management fee payable quarterly in advance, in an amount equal to 0.375% of the balance in each Fund at the beginning of each calendar quarter (1.5% annualized) without accrual of any unearned performance allocation.

Although calculated and paid in advance, the management fee will be amortized, for financial reporting purposes, by the Funds over the quarter during which such management fee is paid. In its discretion, Central Square reduces or calculates differently the management fee with respect to the capital accounts of certain investors, including affiliates of the general partners for the Funds. The specific fees charged by Central Square are described in the relevant confidential offering memorandum.

The Managed Account pays a 0% management fee and a 50% performance fee or allocation. See Item 6 below for further information on performance fees.

An investor of the Central Square Funds may withdraw all or part of the balance of its capital account without incurring any withdrawal fees, at the end of the calendar quarter, or any subsequent calendar quarter-end, following four full calendar quarters from the initial investment. Any withdrawal prior to this time, or at any month end that is not a calendar quarter-end, is subject to an 8% withdrawal fee. Investors who withdraw at any time other than at the end of a calendar quarter shall not be reimbursed by the General Partner any portion of the management fee paid in advance. Under special circumstances, such fees and expenses have been waived by Central Square in its sole discretion.

The withdrawal/redemption terms of the Managed Account are described separately in the governing documents of the Managed Account.

The investors will bear all costs and expenses related to the Central Square Fund's investments and operations, including, without limitation, brokerage and other transaction costs, clearing and settlement charges, trade break fees, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, costs of any liability insurance obtained on behalf of a respective Fund, custody fees, costs of any litigation or investigation involving Fund activities, indemnification expenses, the management fee, consulting expenses, research expenses, legal and other expenses in connection with conducting due diligence and negotiating the terms of certain investments, the fees and expenses of professionals providing services to the Fund, including legal, audit, accounting, tax and administration, any issue or transfer taxes chargeable in connection with any securities transactions, any entity level taxes, regulatory costs, filing and license fees, the costs of reporting and providing information to investors, and any extraordinary expenses.

The Managed Account also shares in certain trading and research expenses with the Central Square Funds on an equitable basis. The Managed Account also pays its own transaction fees associated with trades as well as audit, tax and administrative costs.

As owner of Fund I GP and Fund II GP, Kelly Cardwell shares in the profits and losses, that can be viewed as a conflict of interest. This conflict of interest and how Central Square addresses the conflict is outlined in Item 10 below.

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

Generally at the end of each fiscal year, the general partners of each Central Square Fund will receive a performance-based fee of 20%, known as a performance allocation, from each investor's capital account. The performance allocation payable for any fiscal year is an amount equal to 20% of the aggregate net profits (subject to a "high watermark" discussed below) allocated to such investor's account during such fiscal year. If an investor makes a withdrawal from its capital account prior to the end of a fiscal year, the General Partner of each Fund shall be entitled to receive the performance allocation, if applicable at such time. This fee structure is described in detail in each Central Square Fund's confidential offering memorandum and in the relevant governing documents entered into with each investor. Central Square, in its sole discretion, waives the performance allocation with respect to its affiliates of the Central Square Funds and Investment Manager. Also, performance fees paid are in addition to the investment management fees paid to Central Square.

Each Central Square Fund will maintain a loss recovery account, also known as a "high water mark," with respect to each investor's capital account. For each fiscal year, each investor's account will be increased with the aggregate net losses, if any, allocated to such investor's capital account for such fiscal year. The general partners of each Central Square Fund will not be allocated any performance allocation with respect to an investor's capital account until such investor has recovered any net losses debited to its loss recovery account.

Central Square's management fees, carried interest allocations, performances fees and other compensation payable to Central Square and its Funds' general partners are established by Central Square at the time of the establishment of the relevant investment vehicle and are negotiated with participating investors prior to making their investment. Once the relevant Central Square Fund has been established and commenced operations, such compensation and expenses are generally not negotiable, although from time to time, Central Square or its related entities have in the past and may in the future enter into side letter agreements or other arrangements with specific investors whereby such investors receive a reduction of fees or compensation otherwise payable. During 2016, Central Square entered into side letter agreements with two investors in Fund I and Fund II that are not affiliated with Central Square or its affiliates who received a reduction of management fees through June 2016.

Performance fees for the Managed Account are calculated on a monthly basis by the Managed Account's third party administrator, based on the agreements set forth between Central Square and the Managed Account. Additional information about these fees are described in the offering documents of the Managed Account.

Once a Fund's fiscal year has ended, any performance-based compensation earned during that year is not subject to reversal. The performance allocation to the general partner will be based, in part, on unrealized investment gains that may never be realized in the event of adverse changes in the value of such investments. The performance-based compensation received by Central Square creates a conflict between Central Square's interest in earning a profit in the short term with the long-term interest of the Funds and their investors. A performance-based allocation arrangement creates an incentive for riskier or more speculative investments by Central Square than might not be the case in the absence of such performance-based allocation arrangement because these investments may allow Central Square to collect larger performance-based compensation; however, any such risks would be equally applicable to the general partners' own capital account with respect to each Fund.

Currently, all Central Square clients are private funds that are paying a performance fee. Therefore, potential investment allocation conflicts that usually apply when an adviser has accounts that pay performance fees and those that do not (i.e. side by side management), are not applicable to Central Square.

## **Item 7 – Types of Clients**

Central Square provides discretionary investment advice to its the Funds, which are all private investment funds. The Funds' investors are either "accredited investors" as defined under Regulation D of the Securities Act of 1933, "qualified clients" as defined in the Investment Advisers Act of 1940, or "qualified purchasers" as defined in the Investment Act of 1940. Minimum contributions for investment with Fund I is \$500,000 and \$1,000,000 for investment with Fund II, but commitments in excess or less than the required amounts have been accepted at the sole discretion of the Fund's general partner.

Investors in the Funds include primarily U.S. and non-U.S. investors, including, among others, high net worth individuals, other funds and institutions. In addition, employees and other persons associated with Central Square and/or its affiliates have invested in the Central Square Funds have made capital contributions to the Funds. Affiliates of Central Square are not assessed a management fee or performance allocation.

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

### **Investment Objective and Strategy**

The investment objectives of the Central Square Funds are to achieve consistently superior capital appreciation primarily through investments in equity securities and other equity-related instruments. The Funds invest in securities of U.S. and non-U.S. companies, regardless of their capitalization. Each Fund's portfolio includes companies spanning the market cap spectrum from micro-cap to large cap with varying degrees of market liquidity. The Funds also invest in non-U.S. securities and other instruments, including, but not limited to, American Depository Receipts.

The investment objectives of the Managed Account are similar to the Central Square Funds with the biggest difference being that the Managed Account owns more liquid securities.

The Funds at times also take short positions in securities. Short positions are categorized as either a fundamental short or a hedging short. In addition to short positions, the Funds also invest in a variety of derivative instruments, including, without limitation, options and currency agreements, which will be used to attempt to hedge existing long and short positions, as well as for independent profit opportunities.

The Managed Account can invest in only certain derivative instruments, as outlined in the governing documents for the Managed Account.

In an effort to maximize returns, the Funds also employ, from time to time, leverage as a normal course of its strategy. Central Square believes that leverage has the potential to create the opportunity to increase the return profile for the portfolio and increase the probability of realizing the investment objective.

In general, although there are specific investment guidelines inherent in the investment model and philosophy, the Firm's investment strategy has been structured to provide Central Square with investment flexibility to achieve the Funds' investment objective. It is impossible to predict the degree of profitability, if any, that may be achieved from the investment strategy described herein. Central Square will endeavor to commit each Fund's resources among the various investments and strategies consistent with the philosophy and process articulated herein and in response to changing market conditions and opportunities. The risks surrounding each Fund's investment strategy are considerable and an investor could realize substantial losses, rather than gains, from some or all of the investments and strategies utilized by Central Square in the management of each Fund's assets. . Please see "Risk Factors" below for more detail on the risks specific to the Funds' investments.

## Investment Process

Central Square conducts in-depth research, reaches out to industry contacts and follows corporate events to seek to identify securities of companies in the consumer, cyclical, financials, health care, special situation, technology and energy/materials or any other sectors that Central Square believes to be inefficiently priced relative to their fundamental prospects. Candidate companies may be identified initially through research drawn from a wide range of industry and other sources, as well as through Central Square's fundamental screening. Once identified, Central Square performs additional due diligence, which may include an industry analysis and review of financial information and other publicly available information about a company. Central Square may leverage its extensive industry contacts in order to seek answers to questions and understand other sources of information in support of its investment thesis. Central Square may also conduct personal visits and interviews with executive management, middle management, line employees, customers, vendors and competitors. The research will often focus on the candidate company's: (i) addressable market size, growth rate and growth drivers; (ii) business strategy and operating tactics; (iii) potential to achieve attractive business economics and high returns on capital; (iv) market and competitive risk analysis; and (v) management strengths, weaknesses and ownership stake. For potential short positions, Central Square will usually focus on declining fundamentals that are expected to manifest themselves in declining stock prices within a reasonable period of time.

Each Fund's portfolio will be comprised of securities that, in Central Square's opinion, present the most attractive risk/reward scenario. The long portion of the portfolio is expected to be comprised of equity securities of companies that exhibit one or more of the following characteristics: (i) undergoing positive change in its business model and/or management teams; (ii) stock trading at low multiples relative to earnings per share and free cash flow; (iii) improving fundamentals, such as accelerating revenues, earnings per share or cash flow; (iv) stock share price that does not react negatively to negative news; (v) management teams with proven history of creating shareholder value and (vi) any security where Central Square's estimate of intrinsic value is higher than the current stock price. The short portion of the portfolio is expected to consist of positions that, in the opinion of Central Square, possess one or more of the above characteristics, but moving in the opposite direction.

The Central Square Funds' portfolio average (approximately) 120 - 180% gross exposure with an average net long of (approximately) 15 - 35%. Each Fund's portfolio generally holds at any time 25 to 35 long positions and 25 to 45 short positions; however, the number of positions or the concentration of each Fund's portfolio may significantly vary from such targets from time to time based on Central Square's assessment of fundamentals and market conditions.

The gross and net exposures of the Managed Account vary from the Central Square Funds and are described in the governing documents for the Managed Account.

Securities are generally eliminated from the portfolio when price targets are met, when developing fundamentals disprove Central Square's original investment thesis, or when a superior investment opportunity is identified.

Risk management is an important element of the investment process for Central Square and the Firm has developed certain risk guidelines to seek to reduce the volatility of each Fund's portfolio.

Central Square believes that, in seeking profitable investment opportunities for the Funds, it is important to have maximum flexibility. Therefore, the investment strategies used by the Funds, the types of investments held by the Funds and the industry focus of the Funds may vary over time as market conditions change. The Funds seek to achieve its investment objective through Central Square's active management of each Fund's portfolio. Accordingly, the Funds' investment strategy may result in a high portfolio turnover rate, and gains and losses may be realized at any time and in any amounts without regard to whether they are short- or long-term. High portfolio turnover involves correspondingly greater brokerage and transactions costs.

### **Types of Portfolio Investments**

Central Square invests in equity securities and equity-related instruments which represent broad exposure to indices or markets, cash and cash equivalents to enhance cash returns. As market conditions or investment opportunities warrant, the Funds also invest in common and preferred stocks, convertible securities, warrants, stock purchase rights and/or other equity related interests. Allocation of the portfolio among various investment types is a function of the market place and Central Square's assessment of investment opportunity at any given time.

### **Risk Factors**

No investment is free of risk. Current and prospective investors in the Funds are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. All investors should be aware of certain risk factors, which include, but are not limited to, the following:

- Investment and Trading Risks: An investment in any of the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that any Fund's investment program will be successful. Central Square will be investing substantially all of each Fund's assets in securities, some of which may be particularly sensitive to economic, market, industry and other variable conditions. The markets in which each Fund expects to invest have in recent years experienced significant volatility. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant

losses to any Fund.

- Use of Leverage: Central Square may leverage a Fund's portfolio through margin and other debt in order to increase the amount of capital available for investments. Although leverage increases returns to investors if a Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to investors if a Fund fails to earn as much on such incremental investments as it pays for such funds. In the event that a Fund leverages its portfolio, fluctuations in the market value of such Fund's portfolio will have a significant effect in relation to the Fund's capital and the risk of loss and the possibility of gain will each be increased. In addition, when a Fund utilizes leverage, the level of interest rates generally, and the rates at which a Fund can borrow in particular, will be an expense of a Fund and therefore affect the operating results of a Fund. Leverage increases the risk of substantial losses (including the risk of a total loss of capital), and leverage can significantly magnify the volatility of a Fund's portfolio. Each Fund may use short-term margin borrowing in purchasing securities positions. Such borrowing, if made, can result in certain additional risks to such Fund.
- High Portfolio Turnover: Given Central Square's trading strategy, when deemed appropriate by Central Square, the Fund may sell securities and other investments without regard to how long they have been held. As a result, a Fund's portfolio turnover rate can be high. A high portfolio turnover means that a Fund will incur higher brokerage commissions, which will reduce such Fund's investment returns, and may result in short-term gains that will be taxable to investors.
- Short Sales: Central Square may engage in short sales as part of hedging transactions or when it believes securities are overvalued. Short sales are sales of securities a Fund borrows but does not actually own, usually made with the anticipation that the prices of the securities will decrease and a Fund will be able to make a profit by purchasing the securities at a later date at the lower prices. A Fund will incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value, creating a greater loss.
- Micro Cap, Small Cap and Mid Cap Issuers: A portion of each Fund's assets may be invested in micro-cap, small cap and mid cap issuers. While in Central Square's opinion, the securities of micro, small, and mid cap issuers can offer the potential for greater capital appreciation than investment in securities of larger cap issuers,

securities of micro, small, and mid cap issuers also present greater risks. For example, some micro, small and mid-cap issuers have limited product lines, markets, or financial resources; some may be dependent for management on one or a few key persons; and some can be more susceptible to losses and risks of bankruptcy. In addition, such issuers may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment analysts and may be subject to wider price swings and, thus, may create a greater chance of loss than when investing in securities of larger cap issuers. The market prices of securities of micro, small and mid-cap issuers generally are more sensitive to changes in earnings expectations, corporate developments, and market rumors than are the market prices of large cap issuers. Transaction costs in securities of micro, small, and mid cap issuers may be higher than in those of large cap issuers.

- Risks of Investments in Options: Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception of the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited because the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price that may, upon exercise of the option, be significantly different from the market value.
- Other Derivative Investments: Derivatives include futures, options, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. There are a number of other risks, however, associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is consummated, a relatively small adverse market movement may expose a Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts.
- Highly Volatile Instruments: The prices of derivative instruments, including options, can

be highly volatile. Price movements of forward contracts and other derivative contracts in which a Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Funds also are subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses.

- Foreign Securities: The Funds invest in securities of non-U.S. issuers. The Fund's investments in securities and instruments in foreign markets involve substantial risks not typically associated with investing in U.S. securities. Foreign securities investments may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of the Funds' assets denominated in that currency and thereby will have an impact upon each Fund's total return on such assets. The Funds may utilize options and forward contracts to hedge against currency fluctuations but there can be no assurance that such hedging transactions will be effective.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher on foreign markets than in the U.S. In addition, differences in clearance and settlement procedures on foreign markets may occasion delays in settlements of a Fund's trades effected in such markets.

- Exchange Traded Funds: An ETF is a fund that tracks an index of securities, but can be traded like a stock, including short selling. Because ETFs are traded on stock exchanges, they can be bought and sold at any time during the day (unlike most mutual funds). Unlike mutual funds, ETFs don't necessarily trade at the net asset value of their underlying holdings, meaning an ETF could potentially trade above or below the value of the underlying portfolios. Equity-based ETFs are subject to risks similar to those of investing directly in stocks. Investment returns will fluctuate and are

subject to market volatility.

- American Depositary Securities & Receipts: In certain instances, rather than directly holding securities of non-U.S. companies, the Funds may hold these securities through an American Depositary Receipt (an “ADR”). An ADR is issued by a U.S. bank or trust company to evidence its ownership of securities of a non-U.S. company. The currency of an ADR may be U.S. dollars rather than the currency of the non-U.S. company to which it relates. The value of an ADR will not be equal to the value of the underlying non-U.S. securities to which the ADR relates as a result of a number of factors, including the fees and expenses associated with holding an ADR; the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into U.S. dollars; and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights of a Fund, as a holder of an ADR, may be different than the rights of holders of the underlying securities to which the ADR relates, and the market for an ADR may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the ADR and, as a consequence, the performance of the investor holding the ADR.

The above list is not all inclusive of all risks, therefore, investors in the Funds’ should read the offering documents in their entirety to understand all risks pertaining to investments in the Funds’.

## **Item 9 – Disciplinary Information**

Like other registered investment advisers, Central Square is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor’s evaluation of Central Square or the integrity of Central Square’s management. No events have occurred at Central Square or with respect to its supervised persons that are applicable to this Item.

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

Central Square is not actively engaged in a business other than giving investment advice to the Funds. Neither Central Square nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing, and Central Square does not anticipate such affiliations in the future.

As mentioned above in Item 4, the Fund I GP and Fund II GP are relying advisers subject to registration with the SEC and together with the Investment Manager operate as a single advisory business. As the owner of Fund I GP and Fund II GP, Kelly Cardwell shares in the profits and losses, which creates a conflict of interest. For example, having the ownership role could incentivize Kelly Cardwell to make investments that are riskier or perform transactions that are designed to

boost the assets when fees are calculated (i.e. window dressing). Central Square strictly follows the investment objectives of the Central Square Funds as outlined in their offering documents.

Central Square has no arrangements with a related person who is a broker-dealer, investment company, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages partnerships that are material to its advisory services, the Funds or its investors.

Central Square has and will continue to develop relationships with professionals who provide services it does not provide, including: legal, accounting, banking, tax preparation, insurance brokerage, investment management services and other personal services. None of the above relationships, however, creates a material conflict of interest with any of Central Square's clients or investors.

From time to time, Central Square receives training, research information, invitation to attend conferences, promotional material, meals, gifts or prize drawings from broker-dealers with whom it does business with. Currently, Central Square does not have any solicitation or referral arrangements in place and we do not directly or indirectly compensate anyone for referring investors to the Central Square Funds. At no time will Central Square accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider. Please refer to Item 12 below for further information.

## **Item 11 – Code of Ethics**

### **Code of Ethics**

As fiduciaries, Central Square and its employees have certain legal obligations to put clients' interest ahead of their own. Central Square has adopted a written code of ethics based on principles of openness, honesty, integrity and trust. At least once a year, each Central Square employee is required to acknowledge this code in writing and agree to be bound by it.

Central Square's code of ethics covers standards of business conduct, confidentiality of client information, personal trading requirements, insider trading, reporting of personal securities transactions, restrictions on accepting and giving of significant gifts, social media policies, political contribution policies, and reporting of certain gifts and business entertainment items, among other things.

In rare cases, Central Square's business may provide Central Square and its employees with access to material nonpublic ("insider") information. The code includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

Central Square's Code of Ethics has procedures designated to ensure that principals and employees do not enter into transactions in their personal accounts, which could, as a result of their direction or timing, materially disadvantage the Funds. The Code of Ethics requires supervised persons to submit monthly or quarterly brokerage account statements, as applicable, for review. The CCO will review these account statements on a regular basis in order to identify any conflicts of interest and/or violations of the Code of Ethics.

It is Central Square's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts without first obtaining the relevant advisory board and/or limited partner approval. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells a security to an advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account.

From time to time, Central Square completes securities trades (including outright purchases and sales) between Funds, known as a cross trade. The transactions conducted between the Funds are made at the then market rate for similar transactions between unrelated parties and only where an independent pricing mechanism (such as the last sales or mid-market price on the exchange where the security is principally traded) is available. Central Square determines independently for each Fund that such purchase or sale would be appropriate based upon the Fund's investment/risk parameters, assets under management, liquidity and portfolio exposure. It should be noted that in general positions are re-balanced based on each Fund's proportionate share of assets under management. Furthermore, such transactions between the Funds are only done in a manner that is equitable to the Funds involved and only in the absence of any opportunity for Central Square to earn any additional compensation (other than its customary advisory fees) as a result of the transaction.

The Firm will provide a copy of its code of ethics to any existing or prospective investor upon request to its Chief Compliance Officer, Parul Patel, at (630) 210-8924.

### **Conflicts of Interest**

In addition to the conflict of interest arising from trading by Central Square or its principals or employees for their own accounts as discussed immediately above, and conflicts relating to Central Square's receipt of performance-based compensation, which are discussed in Item 6 above, investors in the Funds are subject to additional conflicts of interest. The offering documents for each Fund details a complete description of what Central Square believes to be the most significant conflicts of interest associated with an investment in a Fund. Some of these conflicts are summarized below; however, this summary does not attempt to describe all of the conflicts of interest associated with an investment in the Funds. Investors should carefully consider the

conflicts of interest herein, as well as those outlined in Central Square's offering documents, prior to investing in a Fund.

Allocation of investment opportunities among the Funds managed by Central Square, including the Managed Account, will be made by the Firm based upon the investment objectives and investment portfolio of the Funds/Managed Account. Such accounts may pursue a substantially similar investment strategy as the strategy for the Funds. When the purchase and sale of securities is considered to be in the best interest of each of the Funds/Managed Account, the securities to be purchased or sold may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day may be (but are not required to be) averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, will be made in a manner that Central Square considers to be equally as favorable to each Fund/Managed Account as to any other party.

Although Central Square exercises due care in making and implementing investment decisions, employees of Central Square may from time to time make errors with respect to trades made on behalf of the Funds or Managed Account. Central Square has adopted policies and procedures to confirm that trading errors are corrected and the Funds/Managed Account are treated fairly and not harmed. The goal of error correction is to make the Fund/Managed Account, as the case may be, whole, as if the error did not occur. Central Square will take all reasonable measures in an expeditious manner to place the respective Fund/Managed Account in the same position it would have been had the error not occurred.

Each Fund's investors include persons or entities resident in various jurisdictions, including the United States and other countries, who may have conflicting investment, tax and other interests with respect to their investments. The conflicting interests of individual investors and managed accounts may relate to or arise from, among other things, the nature of investments made by each Fund or managed account and the timing of the disposition of investments. Such trading may result in different after-tax returns being realized by different limited partners, other investors and managed accounts. As a consequence, conflicts of interest may arise in connection with decisions made by Central Square that may be more beneficial for one investor than another investor or managed account, especially with respect to investors' individual tax situations. Central Square considers the investment and tax objectives of each Fund as a whole, and not the individual investment, tax or other objectives of any particular investor.

## **Item 12 – Brokerage Practices**

Central Square is responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. Central Square's primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner

possible. Central Square also takes into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and the commissions to be paid.

When selecting a broker-dealer, Central Square may also consider the quality, comprehensiveness and frequency of available research and other products and services considered to be of value. Central Square is authorized to pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with research and trading-related products and services or to pay higher commissions to such firms if Central Square determines such prices or commissions are reasonable in relation to the overall services provided. Accordingly, the Central Square Funds and Managed Account are paying for research and other products and services with “soft” or commission dollars. Central Square does not have any formal third party soft-dollar agreements in place with any brokers.

The use of brokerage commissions to obtain research products and/or services creates a conflict of interest between Central Square and the Funds/Managed Account. This can result in a Fund paying higher brokerage commissions than might be paid if transactions were effected through brokers that do not provide such products and/or services. To the extent that Central Square is able to acquire these products and services without expending its own resources or at reduced prices, Central Square’s use of “soft-dollars” would tend to increase its profitability. In addition, the availability of these non-monetary benefits may influence Central Square to select one broker rather than another to perform services for the Funds. Central Square intends that its use of soft dollars will be compliant with the safe harbor provided in Section 28(e) of the Securities Exchange Act of 1934, as amended.

Goldman, Sachs & Co. serves as the prime broker for the Funds and Managed Account (the “Prime Broker”) and clears and settles Fund securities transactions that are effected through other brokerage firms. Settlement functions normally include, among other matters, arranging for (i) the receipt and delivery of securities purchased, sold, borrowed and loaned; (ii) the making and receiving of payments; (iii) custody of securities fully paid for or not fully paid for and, therefore, compliance with margin and maintenance requirements; (iv) custody of dividends and exchanges, distributions and rights accruing to each Fund’s account; and (v) tendering securities in connection with cash tender offers, exchange offers, mergers or other corporate reorganizations. In addition, Goldman Sachs & Co. also provides Central Square with capital introduction services aimed to assist Central Square in raising capital for the Funds, as do other Central Square executing brokers. The Prime Broker and other brokers are not compensated for providing such “capital introductions”. No Fund is committed to continue its relationship with Goldman Sachs & Co. for any minimum period and a Fund may, in its sole discretion, switch prime brokers or select multiple brokers to act as prime broker to the Funds. Goldman Sachs & Co. will maintain custody of the Funds’ and Managed Account’s securities.

Central Square does not receive client referrals from a broker dealer and is not subject to any directed

brokerage arrangements.

Central Square will aggregate purchase and sale transactions for the Central Square Funds and Managed Account as it is deemed appropriate by the portfolio manager and considered reasonably likely to result in an overall economic benefit to the affected accounts. Such potential benefits include better transaction prices and/or lower trade execution costs. If such aggregated orders cannot be fully executed under prevailing market conditions, the portfolio manager will allocate the shares executed in the aggregated trades for that day among participating accounts in a manner which it considers equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, liquidity requirements, investment guidelines/restrictions, and the investment objectives of the accounts,

### **Item 13 – Review of Accounts**

Kelly Cardwell, in his role as Portfolio Manager and Parul Patel, Chief Financial Officer and Chief Compliance Officer, review records of trades placed for the Central Square Funds and Managed Account on a regular basis with a view towards identifying trade errors or transactions not in accordance with the Funds' investment objectives and risk parameters. The Funds' accounts are also reviewed on a regular basis by a third party administrator to ensure that Central Square's records are in agreement with those of its custodian.

Each investor in the Central Square Funds receives a monthly statement showing its capital account balance. Each investor in the Central Square Funds also receives the Firm's performance/attribution/assets under management information update. In addition, each investor receives an annual report containing audited financial statements within 120 days of calendar year end. All reports are written and electronically delivered to investors.

The Managed Account receives monthly statements electronically directly from its independent third party administrator. The Managed Account also receives the annual audited financial statements electronically within 120 days of calendar year end.

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

Central Square does not use third-party marketers to assist in its fundraising efforts. Central Square does not currently have any solicitation arrangements in place; however, we may in the future enter into solicitation agreements pursuant to which the Firm compensates one or more third parties for client soliciting/referrals that will result in the provision of investment advisory services by Central Square. All solicitation arrangements will comply with Rule 206(4)-3 of the Advisers Act.

As the owner of Fund I GP and Fund II GP, Kelly Cardwell, owner of Central Square, shares in the profits and losses of all three companies, which creates a conflict of interest. Please refer to Item

10 above for further information, including the how the firm addresses the conflict.

### **Item 15 – Custody**

The Investment Advisers Act of 1940 Rule 206(4) (the “Custody Rule”) requires that pooled investment vehicles advised by the adviser either undergo an annual GAAP financial statement audit or be subject to a surprise custody examination by an independent auditing firm. The Central Square Funds undergo an annual GAAP financial statement audit. Copies of the Funds’ audits are delivered to underlying fund investors within 120 days of year-end, thus satisfying the Custody Rule’s requirements. Central Square has also appointed an independent public accounting firm to conduct the audit that is registered with the Public Companies Accounting Oversight Board (PCAOB), and in turn subject to regular inspection by the PCAOB. Additionally the Administrator sends monthly statements to all Central Square Fund investors.

The Managed Account has also appointed an independent public accounting firm to conduct an annual financial statement audit and the firm is also PCAOB registered and subject to inspection. The Managed Account also has an independent Administrator who provides monthly statements to all its investors.

While Central Square places all Central Square Funds’ assets in custody with unaffiliated broker-dealers or banks and does not maintain physical custody over any investors’ funds or securities, it is considered to have custody over these assets because of the ability of the general partners to deduct fees from investor accounts. Goldman Sachs & Co. and Northbrook Bank & Trust serve as custodians for the Central Square Funds and send account statements to the Central Square Funds each month. Central Square also uses a third party administrator to approve all cash custody transactions and movements.

### **Item 16 – Investment Discretion**

Central Square and its General Partners have discretionary authority based on management agreements with each of its Funds and Managed Account, and the relevant governing documents of each Fund/Managed Account, to buy and sell securities or other investments on behalf of the Funds/Managed Account and to determine the amount of such investments to be bought and sold. The terms upon which Central Square serves as an investment manager or sub-advisor of a Fund/Managed Account are established at the time each entity is established and are generally set out in the partnership agreement or other governing document entered into by Central Square with respect to the relevant entity and disclosed in the offering documents for such Fund/Managed Account, as applicable. These terms potentially restrict Central Square’s advice concerning investments in certain securities or types of securities, diversification, geographies, industries and leverage. Central Square’s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of

investments once made. No investors of the Funds to date have limited Central Square's ability to invest in specific company sectors or otherwise.

To become an investor in a Central Square Fund, an investor must execute a subscription agreement and a partnership agreement with such Fund, as applicable. Central Square is not required to contact an investor prior to transacting any business once an investor executes these documents.

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

By virtue of the investment management agreements and relevant governing documents of each Fund/Managed Account, Central Square has the authority to vote client securities held by the Funds/Managed Account. Central Square has adopted a proxy voting policy pursuant to SEC Rule 206(4)-6 to describe how Central Square votes its clients' proxies. Central Square votes proxies consistent with the best interests of its investors and in accordance with the Fund's stated objectives, primarily maximizing portfolio values.

Pursuant to its policy, Central Square will generally vote in accordance with management's recommendations unless Central Square determines that voting in such a manner is in conflict with the best interests of its investors. In these cases, Central Square will evaluate and vote the proxies on a case-by-case basis. If it is determined that the conflict of interest is not material, Central Square may vote proxies notwithstanding the existence of the conflict. If it is determined that the conflict of interest is material, Central Square will resolve the conflict in one of several possible ways, such as engaging a third party to recommend a vote with respect to the proxy. In general, investors cannot request that Central Square vote in a particular way on any specific proposal.

Investors may obtain a copy of Central Square's complete proxy voting policy upon request, free of charge, from Central Square's Chief Compliance Officer, Parul Patel, at (630) 210-8924. Investors may also obtain information from Central Square, free of charge, about how Central Square voted any previous proxies on behalf of the Funds/Managed Account.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item 18 to provide certain financial information or disclosures about their financial condition. Central Square has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors, and has not been the subject of a bankruptcy proceeding.

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

This item does not apply as Central Square is a registered investment adviser with the SEC.