

# TROOB CAPITAL MANAGEMENT LLC

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This Brochure provides information about the qualifications and business practices of Troob Capital Management LLC (“**Troob**”). If you have any questions about the contents of this Brochure, please contact Carlton Thompson, Troob’s Chief Compliance Officer (“**CCO**”), at 914-694-5777 or by email at [cthompson@troobcapital.com](mailto:cthompson@troobcapital.com). Additional information about Troob is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Registration of an investment adviser does not imply that Troob or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

**Item 2: Material Changes**

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The following material changes have occurred since the previous Annual Updating Amendment filed on March 31, 2017: the formation of Context|TCM Tactical Opportunities LLC, a Delaware limited liability company and Context|TCM Tactical Opportunities GP, LLC, a Delaware limited liability company.

Context|TCM Tactical Opportunities, LLC will be the Investment Manager of a new fund, Context|TCM Series Fund LP. Context|TCM Tactical Opportunities GP, LLC will be the General Partner of Context|TCM Series Fund LP.

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**Item 4: Advisory Business**

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Troob Capital Management LLC (“**Troob**”, the “**Adviser**”, “**we**”, “**us**”, “**our**” or the “**Firm**”), is an independent investment management firm which was established in February 2002 by Peter Troob and Douglas Troob. The Adviser’s principal place of business is in White Plains, NY.

Troob currently provides investment advisory services to the following two private hedge funds:

- Counterweight Short Credit Fund Ltd SPC – Alpha I Segregated Portfolio
- TCM Steel Curtain Fund LP

The above entities are collectively referred to as the “**Hedge Funds**”.

Troob entered a joint venture with Context Capital Partners in November 2017, and together the entities formed Context|TCM Tactical Opportunities GP, LLC, a Delaware limited liability company which serves as General Partner for Context|TCM Series Fund LP, a Delaware series limited partnership, which to date has established one series, the Context|TCM Tactical Opportunities Series (“**Context|TCM TOSF**”). Context|TCM Tactical Opportunities LLC, which serves as the Investment Manager for Context|TCM TOSF, was also formed at this time. Context|TCM TOSF is a private fund formed to provide capital solutions to solve liquidity needs.

In addition to managing the Funds, we also provide investment advisory services to a separately managed client account (the “**Client Account**”). The Client Account is managed separately and only in accordance with its own characteristics.

Troob is the General Partner of TCM Steel Curtain Fund. Troob Capital Advisors LLC is the Administrative General Partner of TCM Steel Curtain Fund. Troob Capital Management (Offshore) LLC, an affiliate of Troob, is the Investment Manager of Counterweight Short Credit Fund Ltd SPC – Alpha I Segregated Portfolio. Context|TCM Tactical Opportunities GP LLC is the General Partner of Context|TCM Series Fund LP and Context|TCM TOSF.

Counterweight Short Credit Fund Ltd SPC – Alpha I Segregated Portfolio, TCM Steel Curtain Fund and Context|TCM Tactical Opportunities Series Fund, LP, each a “**Fund**” and collectively the “**Funds**” and together with the Client Account are collectively considered the “**Clients**”. Each Fund is managed only in accordance with its own characteristics and is not tailored to any particular investor in the Fund (each an “**Investor**”). Information about each Fund can be found in its offering documents, including its Confidential Private Placement Memorandum (“**PPM**”).

The investment objective of Counterweight Short Credit Fund Ltd SPC – Alpha I Segregated Portfolio and TCM Steel Curtain Fund is to generate positive uncorrelated absolute returns trading in securities of companies across all asset classes of the capital structure with a willingness to be long, short or hedged.

The investment objective of Context|TCM TOSF is to provide capital solutions to solve liquidity needs across all asset classes and types, industries and geographies.

Douglas Troob and Peter Troob are the Managing Members of Troob and each have 50% ownership of Troob Capital Management LLC, Troob Capital Management (Offshore) LLC and Troob Capital Advisors LLC.

Context|TCM Tactical Opportunities LLC is 100% owned by TCM Private Capital Management LLC. Context TCM Tactical Opportunities GP LLC is 50% owned by TCM Private Capital Advisors LLC and 50% owned by Context TCM GP Holdings LLC.

As of December 31, 2017, Troob managed approximately US\$399,379,953 regulatory assets under management (“**RAUM**”) on a discretionary basis.

## **Item 5: Fees and Compensation**

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### **Management Fees**

Investors in Counterweight Short Credit Fund Ltd SPC – Alpha I Segregated Portfolio and TCM Steel Curtain Fund will generally be charged an annual “management fee” ranging from 1.0% to 1.5% of the net asset value. The management fees are paid in advance. In addition, an incentive allocation/fee of 10% or 20% with respect to each Fund is charged in arrears at the end of the fiscal year, subject to a high water mark limitation.

Investors in Context|TCM TOSF will generally be charged a management fee as follows: (i) prior to the termination of the Commitment Period, as defined in the PPM, an annual management fee of 2% of the total Commitment and (ii) thereafter, an annual management fee of 2% of the cost basis of unliquidated positions. In addition, carried interest of 20% is charged after full return of capital, subject to a preferred return of 7%.

Investors in the Client Account are charged no management fee and no incentive allocation/fee.

### **Other Fees**

The Clients have paid and shall pay for their organizational and initial and certain ongoing offering expenses as well as for their operating expenses, including but not limited to, all accounting, auditing, tax preparation, legal, administration, research, and trading costs. The Clients may incur brokerage and other transaction costs. For further details on the Firm’s brokerage practices refer to Item 12 of this Brochure.

Fees are deducted from the Investors’ accounts by instructing the Hedge Funds’ custodian or administrator.

Troob will comply with the requirements of Rule 206(4)-2 of the Advisers Act with regards to custody of assets of Clients (“**Custody Rule**”).

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

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Troob generally receives a performance allocation or incentive fee of 10% to 20% with respect to Counterweight Short Credit Fund Ltd SPC – Alpha I Segregated Portfolio and TCM Steel Curtain Fund, calculated based upon a percentage of the net capital appreciation of the relevant Fund, subject to a high water mark limitation. Troob generally receives carried interest of 20% of net profits earned after investors have received a full return of capital, and a preferred return of 7%, with respect Context|TCM TOSF. Fees for the Client Account is detailed in the account’s agreement. The performance allocations and carried interest are charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”).

Performance based fee arrangements may create an incentive for Troob to recommend investments which may be riskier or more speculative than those which would be

recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. Troob has procedures designed and implemented to ensure that all Clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

### **Item 7: Types of Clients**

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The Firm's Clients are the Funds and one Client Account. Investors in the Funds and the Client Account consist primarily of institutional investors, which may include family offices, fund of funds, pensions and endowments as well as high net worth individuals. Depending on whether the Fund advised by Troob relies on a 3(c)(1) or 3(c)(7) exemption, Investors must meet the requirements for an "accredited investor" under the Securities Act of 1933, as amended (the "**1933 Act**") or an "accredited investor" and a "qualified purchaser" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

To invest in the Funds, we generally require a minimum investment of \$1,000,000; although we reserve the discretion to accept less.

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

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The principal objective of Counterweight Short Credit Fund Ltd SPC – Alpha I Segregated Portfolio and TCM Steel Curtain Fund is to generate positive, uncorrelated absolute returns by pursuing an event-driven strategy of trading in securities across the capital structure of companies, many of which are cyclical and/or non-investment grade. To achieve this objective, Troob utilizes its disciplined value-oriented approach and process targeting catalyst-driven opportunities, an experienced investment team, trading expertise, history of directional (long and short) and hedged investing and portfolio and risk management skills.

The investment objective of Context|TCM Tactical Opportunities Series is to provide capital solutions to solve liquidity needs by executing a flexible investment mandate designed to be opportunistic by meeting motivated sellers' liquidity needs or entities' capital requirements. Troob leverages its established bottom-up investment process with its partnership with Context Capital Partners to target investments across all asset classes and types, industries, and geographies that deliver non-correlated high return potential. Context|TCM TOSF may also invest in other unaffiliated underlying fund managers.

In its Hedge Funds, Troob has an extensive history investing long and short in event-driven companies over multiple cycles. Over the years, the Firm has developed a disciplined focus and familiarity with companies in cyclical sectors that has led to knowledge of company operations, management, and capital structures and the trading history of underlying securities. The core investment team has been together for multiple years pursuing the same event-driven strategy. Troob has developed long-standing senior relationships in the financial community and at the company level that drive idea generation, evaluation and catalyst-identification.

The Firm pursues a flexible portfolio management style where it can invest for capital appreciation and/or trading profit. Troob targets investments for yield and/or capital appreciation. As a result, we invest in both paying and non-paying securities of companies including, but not limited to, secured and unsecured debt (bank debt, bonds), trade and legal claims, litigations, and equity.

The Context|TCM Tactical Opportunities Series operates with a flexible investment mandate to take advantage of diverse opportunities resulting from a rapidly and continually changing

investment landscape, as well as to leverage the broad, deep and experienced perspectives of its partner, principals and team, and to identify opportunities overlooked by others. Targets of opportunity where Troob may provide a differentiated investment solution may originate from situations including bankruptcy, fraud, litigation, liquidation, Level 3 designation, owner disputes, conflict of interest, capital requirements, designated investments (i.e. hedge fund side pockets), investment structure and/or term, lack of tradeable market, misaligned management or other deep value opportunities. These investment opportunities occur for various reasons, including but not limited to, a pressing liquidity or capital need, a strategic shift in portfolio positioning, investor fatigue, orphaned status and regulatory requirements.

#### Investment and Trading Approach

Troob employs a value-oriented approach based on the following steps for its Funds:

- (1) evaluate elements associated with a situation;
- (2) determine the prospective investment's intrinsic value, operational and financial profile based on a stringent "bottom up" analysis;
- (3) identify a gap between the intrinsic and the acquired or trading value as well as, when applicable, the most attractive security and/or claim from a risk/reward perspective; and
- (4) identification of a plan to unlock or extract value (or a catalyst) that will close the gap between intrinsic/restructured and trading value.

#### Investment and Trading Process

Troob has developed a disciplined process that covers the life cycle of investing and trading activities from a potential position's initial sourcing, through the position's inclusion in the portfolio, and its exit from the portfolio. With regard to the Hedge Funds, the process includes:

- (1) sourcing and initial screening based on proprietary models, relationships and experience;
- (2) valuation and catalyst identification based on fundamental analysis and consideration of technical variables;
- (3) detailed due diligence based on rigorous evaluation of company and management, industry dynamics, competitive landscape, legal variables and stake holder motivations, identification of event dynamics and timing; and
- (4) portfolio management based upon the number and size of positions, gross and net exposure, long and short exposure, evaluation of market and individual position liquidity and volatility, inter-relationships of positions, and industry concentration.

Investment ideas are generated from prior experience trading in company securities and sectors, and various business relationships with the financial community and industry executives and senior officers.

The Portfolio Manager and/or trader evaluate activity surrounding the investment or security to be purchased or sold, including trading volume, volatility, which dealers trade the security and the security holders, among other considerations. Depending on the size of the position,

the Portfolio Manager and/or trader determine whether to leg into a position or to purchase or sell in one trade.

The investment process for the Context|TCM Tactical Opportunities Series includes the following steps:

- (1) identifying opportunities and sourcing potential investments utilizing a proactive approach, including leveraging the partnership with Context Capital Partners to source proprietary opportunities through the Context network;
- (2) situation assessment and basic valuation;
- (3) detailed due diligence to estimate the intrinsic value of a potential investment using a bottom-up, fundamental analysis;
- (4) execution or acquisition of the investment, which may include crafting flexible and creative solutions to satisfy the liquidity needs of sellers and capital requirements of entities;
- (5) value creation and exit, which involves managing the investment with the goal of creating or extracting value in a reasonable time frame.

Prospective investments are presented to the principals where qualitative and quantitative analysis is discussed. The analysis may include review of all securities, claims, covenants/rights, and legal and regulatory issues; valuation and catalyst identification; detailed due diligence based on rigorous evaluation of company management, industry dynamics, competitive landscape; and legal variables and stake holder motivations. Typically, questions and issues are raised that require more analysis and a follow up discussion with the principals. The principals have the ultimate determination when deciding to implement an investment decision.

### ***Risk of Loss Factors***

Investing in securities involves risk of loss that Investors should be prepared to bear. Investors should consider the following factors before investing in the Funds. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds or within the Client Account. Prospective investors are urged to consult their professional advisers and review the legal documents for each particular Fund or Client Account before deciding to make an investment.

### ***Limited Rights of Investors***

Substantially all decisions with respect to the management of the Clients are made exclusively by us. Investors have no right or power to take part in the management of the Funds. We also make all of the trading and investment decisions for the Clients. In the event of our withdrawal or bankruptcy, generally the Funds or Client Account will be liquidated.

### ***Use of Leverage***

We may utilize leverage (in the form of borrowed funds or derivative instruments), on a moderate and selective basis, in order to increase investment positions or to make additional investments. Risk of loss and the magnitude of possible losses and gains are generally increased by the use of leverage. Fluctuations in the market value of the Clients' portfolio will have a greater effect relative to the Clients' capital than would be the case in the absence of leverage. Adverse market fluctuations may require the untimely liquidation of one or more investment



positions in order to satisfy margin calls or other lender or counterparty requirements. Although leverage is expected to be moderate relative to portfolio exposure, there will be no fixed restrictions on the level of the Clients' margin borrowings or other forms of leverage, other than any applicable regulatory limits. Accordingly, the amount of leverage or borrowings the Clients may have outstanding at any time could be substantial relative to its capital. Additionally, interest costs of borrowings will be an expense of the Clients and therefore both borrowing levels and fluctuations in interest rates may affect the operating results of the Funds.

***Long Term Investments***

The Fund or Client Account may require a longer-term holding period for its positions in order to be successful and positions may experience considerable price volatility over such holding periods. An investment in the Fund or Client Account, therefore, may not be appropriate for Investors requiring short-term liquidity or stable returns.

***Short Selling***

Short selling is an inherent part of our investment strategy and will be utilized in situations where we believe, on the basis of its investment methodology, that the securities in question are overvalued. Short selling inherently involves certain additional risks. Selling securities short creates the risk of losing an amount greater than the initial investment in a relatively short period of time and the theoretically unlimited risk of an increase in the market price of the securities sold short. Short selling can also involve significant borrowing and other costs which can reduce the profit or create losses in particular positions. Short selling of securities that are difficult to borrow may involve additional costs and risks.

Short positions may not necessarily be correlated to long positions in a manner that successfully hedges against loss. Accordingly, losses in the Clients' long positions may not necessarily be offset by gains in its short positions, and vice versa. It is possible that the Clients could experience losses on both their long and short positions. Although we intend to apply a variety of policies, including broad diversification and careful monitoring, to limit losses on the Clients' short positions, there can be no assurance that such losses will not occur or will be limited in amount.

***Debt Securities***

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

***Reliance on Investment Manager and Managing Member***

We have exclusive responsibility for the Clients' trading activities. Our success will to a large degree, be dependent upon the Managing Members who will make all trading decisions with respect to the Clients' investments. The quality of the investment advice provided by the Investment Manager is highly dependent upon the skills and abilities of the Managing Members. The loss of the services of the Managing Members could adversely affect the Firm's ability to trade effectively.

***Dependence on Occurrence of Events***

The ability to realize a profit on certain investments may be dependent upon the occurrence of certain events, for example, the bankruptcy, sale, or successful reorganization of a company. If the event that we are expecting to occur does not occur, the Clients may sustain a significant loss.

***Small to Medium-Sized Companies***

We may, on behalf of the Clients, invest in the securities of companies with small- to medium-sized enterprise values or market capitalizations. While we believe they may provide significant potential for appreciation, such securities, particularly those of smaller companies, involve higher risks in some respects than do investments in larger companies. For example, prices of such securities are often more volatile than prices of large-capitalization securities. In addition, due to thin trading in such securities, an investment in these securities may be less liquid than that of a larger company.

***Options***

We may, on behalf of the Clients, purchase and sell ("write") options on equities on national and international securities exchanges. The seller ("writer") of a covered put option (i.e., the writer has a short position in the underlying security) receives a premium for writing the put option, but gives up the opportunity for gain on the underlying security below the exercise price of the option and assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security. The writer of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

The writer of a covered call option (i.e., the writer holds the underlying security) receives a premium for writing the call option, but assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Options may be cash settled, settled by physical delivery or by entering into a closing purchase transaction. In entering into a closing purchase transaction, the Clients may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

***Illiquidity of Investments***

The Funds may make investments in unrated securities, and may also invest in highly illiquid interests such as privately-offered stock and debt instruments, private equity interests, liquidating interests, litigation claims, loans and interests in real estate. There may be little or no active market for many securities and other obligations owned by the Funds. Consequently, a Fund may not be able to dispose of an investment when it desires to do so. Some of the investments will be subject to legal or contractual restrictions on resale. In some instances, the sale of securities, loans, claims or other instruments may require lengthy negotiations. A potential exists for investments that do not mature and cannot be liquidated within the term of a Fund to be distributed in-kind to the investors upon the dissolution of a Fund.

***Distressed Securities and Special Situation Positions***

Strategies may involve engaging in transactions in securities, trade claims, and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganizations and liquidation proceedings. Although such transactions may produce significant returns, they generally involve a higher degree of risk over a potential lengthy period of time, than positions in healthier companies, including adverse business, financial or economic conditions that can lead to defaulted principal and interest payments and insolvency proceedings. Trading in these types of securities requires sophisticated analysis (and often it is difficult to obtain information) and there is no assurance that various factors that could affect the prospects of a successful restructuring can be accurately predicted. Many of these positions ordinarily remain stagnant until the company reorganizes and/or emerges from bankruptcy proceedings, and, as a result, may have to be held for an extended period of time.

***Loan Risk***

Loans made, investments in significant amounts of loans, loan assignments and participations, as well as factoring arrangements are subject to unique risks, including, without limitation: the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; so-called lender-liability claims by the issuer of the obligations; environmental liabilities that may arise with respect to collateral securing the obligations; and, with respect to participations, limitations caused by the lack of privity with the borrower for the Fund to enforce its rights against the borrower as well as limitations on the rights of a participant to vote on amendments and modifications of the credit documentation. The relative significance of the risks against the expected benefits are compared when analyzing each loan. Successful claims by third parties arising from these and other risks will be borne by the Clients.

***Non-Performing Loan Risk***

Loans made or purchased may be non-performing or possibly in default. Furthermore, the obligor and/or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments with respect to the loans. By their nature, these investments will involve a high degree of risk. Such non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of the principal of the loan and/or the deferral of payments. Commercial and industrial loans in workout and/or restructuring modes and the bankruptcy or insolvency laws of non-U.S. jurisdictions are subject to potential liabilities, which may exceed the value of the original investment. For example, borrowers often resist foreclosure on collateral by asserting numerous claims, counterclaims and defenses, against the holder of loans, including lender liability claims and defenses, in an effort to delay or prevent foreclosure. Even assuming that the collateral securing each loan provides adequate security for the loans, substantial delays could be encountered in connection with the liquidation of non-performing loans. In the event of default by a borrower, these restrictions as well as the ability of the borrower to file for bankruptcy protection, among other things, may impede the ability to foreclose on or sell the collateral or to obtain net liquidation proceeds sufficient to repay all amounts due on the related loan. In addition, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. Under certain circumstances, payments to the Funds and distribution to Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

***Real Estate Investing Risk***

Investments in real estate may take place either through a subsidiary or special purpose entity or possibly indirectly through real estate related securities. Investments in real estate may be on a passive basis, giving a third-party operating partner and/or property manager a large degree of authority and responsibility for daily management of the assets. Investments in a concentrated portfolio of real estate assets may also take place. Performance of such investments will in large part depend on the ability of third parties to successfully operate the underlying real estate assets. In the event that a Fund invests in real estate with a joint venture or partner, the Fund may be unable to exercise sole decision-making authority (including determining when to liquidate such assets) and will be subject to the risk that a joint venture or partner will act negligently or in a manner contrary to the Fund's best interests. Movements in the overall real estate market due, for example, to changes in property values, cyclical changes in the economy, vacancies of rental properties, overbuilding, environmental liabilities, changes in local laws, changes in property taxes, changes in tax laws or regulations, or changes in interest rates could adversely impact the Fund. In addition, real estate securities are potentially subject to the impact of leverage at both the property and entity levels.

***Counterparty Risk***

Some of the markets in which we may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Clients to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Clients have concentrated their transactions with a single or small group of counterparties. We are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with a single counterparty. The ability of the Clients to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Clients.

***Limitations on Withdrawals***

An Investor's withdrawal of any Interests from the Funds is restricted. In addition, Investors who either partially or completely withdraw from the Funds may still be subject to liability for withdrawn amounts if the Funds becomes subject to a liability relating to a time period in which the withdrawing Investor was invested in the Funds. Liabilities may include, among others, tax claims, claims of Troob or its affiliates for indemnification, and liabilities arising from litigation.

We may also require, at any time, upon at least ten days' prior written notice, that any Investor withdraw all or a portion of his investment. We in our sole and absolute discretion, may permit an Investor to withdraw a part or all of his investment at times other than the permitted withdrawal dates. Distributions, other than withdrawals, are solely in our discretion.

***Custody and Prime Brokerage Risk***

There are risks involved in dealing with the custodians or prime brokers who settle the Funds' trades. The Hedge Funds' maintain custody accounts with JP Morgan Clearing Corporation,

BNP Paribas, Pershing, and BNY Mellon, its prime brokers and custodians (the “Prime Brokers and Custodians”). Although Troob monitors the Prime Brokers and Custodians, and believes that they are appropriate custodians, there is no guarantee that the Prime Brokers and Custodians, or any other custodian that the Hedge Funds’ 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, as amended, 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 the Hedge Funds’ assets, the Hedge Funds 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.

### **Cybersecurity Risk**

Troob, the Funds and its service providers, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting Troob, the Funds or its service providers may adversely impact the Funds. For instance, cyber-attacks may interfere with the processing or execution of either or both Funds’ transactions, cause the release of confidential information, including private information about Investors, subject the Funds and Troob to regulatory fines or financial losses, or cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which the Funds may invest. These risks could result in material adverse consequences for such issuers, and may cause the Funds’ investments in such issuers to lose value.

### **Item 9: Disciplinary Information**

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Neither we nor any of our management personnel are subject to or have in the past been subject to any criminal or civil action in any domestic or foreign court, and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

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

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The management and employees of Troob dedicate substantially all of their professional efforts to Troob and our affiliates, and currently have no significant outside business interests.

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

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#### ***Participation or Interest in Client Transactions***

We serve as the investment adviser to the Funds and the Client Account. Employees, affiliates of the employees, and relatives of the employees may make investments in the Funds. We may or may not receive any compensation from such investments by employees.

We and our affiliates and employees have a financial interest in the Funds through an incentive allocation or a direct investment interest in the Funds. As such, we could be considered to have recommended to Investors that they buy or sell securities or investments in which the Firm or a related person has some financial interest.

**Code of Ethics & Personal Trading**

Troob has adopted a Code of Ethics and Employee Investment Policy that establish various procedures with respect to investment transactions in accounts in which employees of Troob or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics and Employee Investment Policy is based on the underlying principles that:

- Employees must at all times place the interests of the clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics and Employee Investment Policy; and
- Employees should not take inappropriate advantage of their position at Troob.

All Troob employees are deemed to be “Access Persons” and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code of Ethics and Employee Investment Policy upon commencement of employment and quarterly thereafter. Further, all Troob employees are required to deliver transaction confirmations and statements directly to the CCO.

Our Code of Ethics, including our Employee Investment Policy, is available upon request.

**Personal Trading**

In general, employees (and members of their immediate households) must obtain pre-clearance from the CCO for all personal trades. This policy does not apply to transactions involving government securities or open-end mutual funds, ETFs or other instruments which afford the Investor no discretion over individual securities transactions.

Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or receiving an allocation of an Initial Public Offering (“IPO”).

**Privacy Policy**

We are committed to maintaining the confidentiality, integrity and security of our Investor’s personal information. It is our policy to collect only information necessary or relevant to our management business and use only legitimate means to collect such information. We do not disclose any non-public personal information about our Investors or former investors to anyone except for servicing and processing transactions and as required by law. We restrict access to non-public personal information about Investors to those employees with a legitimate business need for the information. Troob maintains security practices, physical, electronic, and procedural safeguards to guard Investors’ non-public personal information.

Upon request, we will provide you with a copy of our written privacy policy and procedures.

**Item 12: Brokerage Practices**

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We have full discretionary authority to manage the Funds and the Client Account, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Our authority is limited by its own internal policies and procedures and each Fund’s investment guidelines.

In selecting an appropriate broker-dealer to effect a Client trade, we seek to obtain “best execution,” meaning generally the execution of a securities transaction for a Client in such a manner that a Client’s total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealer’s full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

***Soft Dollar Usage***

We may pay brokerage commissions in excess of that which would otherwise be paid for effecting transactions, in recognition of the brokerage and research provided by a broker-dealer, including research generated by third parties, but provided by the broker-dealer. We will enter into “soft dollar” arrangements only to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. We believe it is important to its investment decision-making processes to have access to independent research.

Generally, research services provided by broker-dealers may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Such research services are received primarily in the form of written reports, telephone contacts, industry conferences, and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, software, and meetings arranged with corporate and industry spokespersons, economists, academicians, and government representatives. The receipt of such research services (and brokerage) will be subject to, and limited by, prevailing interpretive guidance provided by the SEC as falling within Section 28(e).

***Aggregation of Orders***

In general, we will generally execute transactions for the Funds on an aggregated basis when the Adviser believes that to do so will allow it to obtain best execution and to negotiate more favorable commission rates or other transaction costs that might have otherwise been paid had such orders been placed independently. When aggregating orders, all participating clients will be treated in a fair and equitable manner.

The Hedge Funds and the Client Account will maintain accounts at one or more of the following prime brokers and/or custodians: JP Morgan Clearing Corporation, BNP Paribas, Pershing, and BNY Mellon (custodian only), through which the Hedge Funds may execute trades, borrow securities and maintain custody of its securities.

On behalf of the Hedge Funds and the Client Account, we reserve the right, in our sole discretion, to change its brokerage and custodial arrangements without further notice to Investors in the Hedge Funds.



**Trade Errors**

On occasion we may experience errors with respect to trades made on behalf of the Funds or the Client Account. Trade errors can result from a variety of situations, including for example, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong account, when the wrong amount is purchased or sold (e.g., 1,000 shares instead of 10,000 shares are traded), or when a misallocation among the Funds occurs. The Firm endeavors to detect trade errors prior to settlement and correct them in an expeditious manner.

The SEC has stated a general view that an adviser has a fiduciary duty to place trades accurately. Accordingly, we will determine on a case by case basis whether to reimburse losses suffered by a Fund as a result of a trade error caused by us. We will not correct a trade error made for one Client by causing the other Client to buy or sell the securities. We also will not directly or indirectly use soft dollars to correct trade errors.

**Item 13: Review of Accounts**

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**Review of Accounts**

The portfolios of the Funds are reviewed and reconciled on a daily basis by the Portfolio Managers, the trader and our operations group to assure conformity with investment objectives and guidelines.

We engage in active management and frequent transactions for the Funds and, accordingly, review our transactions, positions and cash balances on a daily basis.

We have also engaged an independent administrator to prepare monthly unaudited reports reviewing each Hedge Fund's performance for the month, and to prepare quarterly unaudited reports reviewing Context|TCM TOSF's performance for the quarter. Audited financial statements are prepared for each Fund by an independent auditor and are distributed on an annual basis.

**Reporting**

Within 120 days after the end of each year, we will distribute an audited financial report for each Hedge Fund with respect to the previous fiscal year to all Investors. In addition, each Hedge Fund will generally distribute net asset value updates on a monthly basis. Context|TCM TOSF will distribute an audited financial report within 180 days after the end of each year and generally distribute net asset value updates on a quarterly basis.

**Item 14: Client Referrals and Other Compensation**

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Troob currently uses third-party marketers for client referrals and pays referral fees to such marketers for obtaining new advisory Hedge Fund investors. We seek to ensure that the third-party marketer properly maintains all registrations and licenses under the Securities Exchange Act of 1934, as amended, the Advisers Act, and all other laws and regulations applicable to its operation and pursuant to the services it is offering Troob, including registration and/or qualification as a broker-dealer with the SEC, FINRA and every state or territory of the United States where such registration or qualification is required.

Troob also ensures that all fees are paid pursuant to a written agreement between Troob and the third-party marketer, and that the third-party marketer provides each prospective investor who is solicited with a copy of Troob's Form ADV Part 2 as well as a separate disclosure



statement describing the relationship between Troob and the third-party marketer and setting forth the compensation arrangement between Troob and the third-party marketer.

We do not currently provide advice to parties other than the Investors in the Funds and the Client Account. The Firm also does not provide other advisory services to the Investors in the Funds and the Client Account.

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**Item 15: Custody**

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The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of client funds or securities. The Rule requires advisers that have custody of client securities or funds to implement a set of controls designed to protect those client assets from being lost, misused, misappropriated or subject to financial reverses.

Advisers with custody of client funds and securities must maintain them with “Qualified Custodians.” “Qualified Custodians” under the amended rule include banks and savings associations and registered broker-dealers.

Troob currently uses the JP Morgan Clearing Corporation, BNP Paribas, Pershing, and BNY Mellon as the Hedge Funds’ qualified custodians.

In accordance with Rule 206(4)-2, Investors in the Hedge Funds will receive audited financial statements for the particular Fund(s) in which they are invested within 120 days of the fiscal year end. Investors in Context|TCM TOSF will received audited financial statements of Context|TCM TOSF within 180 days of the fiscal year end. Annually, upon completion of the Funds’ annual audit, we will distribute the audited financials along with copies of our Privacy Notice and ADV Part 2.

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**Item 16: Investment Discretion**

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As previously noted, Troob has full discretionary authority to manage the Funds and the Client Account, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Troob’s authority is limited by its own internal policies and procedures and each Fund’s and the Client Account’s investment guidelines. These terms are set out in the PPM for each Fund.

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**Item 17: Voting Client Securities**

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To the extent Troob has been delegated proxy voting authority on behalf of its Clients, Troob complies with its proxy voting policies and procedures that are designed to ensure that in cases where Troob votes proxies with respect to Client securities, such proxies are voted in the best interest of the Funds and the Client Account. The Investors in the Funds and the Client Account may not direct voting of proxies.

Upon request, we will provide an Investor or Client Account with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast.

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**Item 18: Financial Information**

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