

# 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 +1 914-694-5777 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 occurred since our previous filing in February 2012:

- Counterweight Short Credit Fund Ltd SPC – Alpha I Segregated Portfolio was launched in February 2013.
- TCM MPS Ltd SPC – ORYX Segregated Portfolio was closed in October 2012.
- TCM MPS Series Fund LP – Lincoln Series was launched in March 2012.

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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 privately pooled investment vehicles:

- TCM MPS Ltd. SPC – Partners Segregated Portfolio
- TCM MPS Series Fund LP – Partners Series
- TCM MPS Series Fund LP – Crossways Series
- TCM MPS Series Fund LP – Lincoln Series
- TCM Spectrum Fund LP
- Counterweight Short Credit Fund Ltd SPC – Alpha I Segregated Portfolio
- TCM MPS Series Fund LP – Counterweight I Series
- TCM MPS Ltd SPC – Counterweight I Segregated Portfolio

The above entities are collectively referred to as the "**Funds**". 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**"). Troob Capital Advisors LLC is the Administrative General Partner (the "**General Partner**") to the Funds.

The Funds' investment objective 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.

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

The Funds and the Client Account are collectively known as the "**Clients**".

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

As of February, 2013, Troob managed approximately US\$293 million in regulatory assets under management ("**RAUM**") on a discretionary basis.

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**Item 5: Fees and Compensation**

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**Management Fees**

Investors in the Funds will generally be charged an annual "management fee" ranging from 1.5% to 2% of the net asset value. The management fee accrues monthly but is payable quarterly in arrears (except for the Counterweight Fund for which the fee is paid in advance). In addition, an incentive allocation/fee of 20% is charged in arrears at the end of the fiscal year, subject to a high water mark limitation.

The Client Account is charged by Troob for the Firm's services and may incur additional charges by unaffiliated money managers, mutual funds and pooled investment vehicles in which they are invested.

### **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 Funds' custodian.

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 20% with respect to each Fund, calculated based upon a percentage of the net capital appreciation of the relevant Fund, subject to a high water mark limitation. The performance allocations 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 a Client Account. Investors in the Funds and the Client Account consist primarily of institutional investors, including family offices 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 to \$3,000,000; although the General Partner reserves the discretion to accept less.

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

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The Firm's principal objective is to generate positive, uncorrelated absolute returns for its Clients 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 its 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.

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, structure 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. Across the Funds managed by the Firm, depending on strategy, 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.

#### Trading Approach

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

- (1) evaluate elements associated with a situation;
- (2) determine a company's intrinsic value, cash flow generation ability, operational and financial profile based on a stringent "bottom up" analysis;
- (3) identify a gap between intrinsic and trading value as well as the most attractive security and/or claim from a risk/reward perspective;
- (4) determine the catalyst that will close the gap between intrinsic/restructured and trading value.

#### Trading Process

Troob has developed a disciplined trading process that covers the life cycle of trading activities from a potential position's initial sourcing, through the position's inclusion in the portfolio, and its ultimate sale. 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.

Prospective investments are presented to the principals where qualitative and quantitative analysis is discussed. The analysis includes 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 second presentation to the principals. The principals have the ultimate determination when deciding to implement an investment decision.

The Portfolio Manager and/or trader evaluate activity surrounding the 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.

### ***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 a 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, short sales 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 and head trader, 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.

***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, 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.

**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 plan to 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 Client Account. Employees, affiliates of the employees, and relatives of the employee may make investments in the Funds. We may or may not receive any compensation from such investments from 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 establishes 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 Investor’s 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, 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 Clients 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 Funds will maintain accounts at JP Morgan Clearing Corporation, through which the Funds may execute trades, borrow securities and maintain custody of its securities.

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

### ***Trade Errors***

On occasion we may experience errors with respect to trades made on behalf of the Funds. 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 Fund by causing the other Fund to buy or sell the securities. We also will not directly or indirectly use soft dollars to correct trade errors.

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**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 Fund's performance for the month. Audited financial statements are prepared 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 Fund with respect to the previous fiscal year to all investors. In addition, each Fund will generally distribute net asset value updates on a monthly basis.

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**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 clients. The Adviser ensures 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 Corp. as the Funds’ custodians and Jefferies & Company, Inc. as the Client Account custodians; we do not maintain direct custody or possession of any of its client’s funds or securities.

In accordance with Rule 206(4)-2, investors in the Funds will receive audited financial statements for the particular Fund(s) in which they are invested within 120 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 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 Client Account. The investors in the Fund and Client Account may not direct voting of proxies.

Upon request, we will provide an investor 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.