

**BROCHURE OF**  
**TCA FUND MANAGEMENT GROUP CORP.**

A Florida Corporation registered with the Securities and Exchange Commission as an  
Investment Adviser (CRD #169163)

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**THIS BROCHURE (“BROCHURE”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF TCA FUND MANAGEMENT GROUP CORP. (THE “FIRM”). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (786) 323-1650 OR [ASCHREIBER@TCAGLOBALFUND.COM](mailto:ASCHREIBER@TCAGLOBALFUND.COM).**

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**ADDITIONAL INFORMATION ABOUT TCA FUND MANAGEMENT GROUP CORP. IS ALSO AVAILABLE ON THE SEC’S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

The date of this Brochure is:

April 17, 2018

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

**Item 2.**

**Material Changes**

Since TCA Fund Management Group Corp.’s (“TCA” or the “Firm”) last annual update to its Form ADV Part 2A (the “Brochure”), filed on March 30, 2018, this Brochure includes minimal updates to Items 4 and 9.

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## I. Part 2A – FIRM BROCHURE

### Item 4. Advisory Business:

- (A) **Operational and Organizational Information:** Trafalgar Capital Advisors, Inc. is a Florida corporation (formed on June 23, 2011) and doing business as TCA Fund Management Group, which became effective on January 19, 2012, and became TCA Fund Management Group Corp. effective September 14, 2014 (hereinafter the “Firm”). The Firm became registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”) on August 13, 2014, and is one of several affiliated entities. The Firm is controlled and majority owned by Robert Press, the Principal through one or more affiliated entities. More information about the Firm’s ownership is included on the Firm’s Schedule A, of Part 1 of the Form ADV.

These affiliated entities include the following private investment funds: (1) TCA Global Credit Fund, LP, a Cayman Islands exempted limited partnership; (2) TCA Global Credit Fund, Ltd., a Cayman Islands exempted company; and (3) TCA Global Credit Master Fund, LP, a Cayman Islands exempted limited partnership (the “Master Fund”) (each of the foregoing, a “Fund”, and collectively, the “Funds”). TCA Global Credit Fund, LP directly invests substantially all of its assets in TCA Global Credit Master Fund, LP. TCA Global Credit Fund, Ltd. invests substantially all of its assets in TCA Global Credit Master Fund, LP through TCA Global Lending Corp. The Firm is responsible for identifying and making suitable investments for the Funds and for the administration of the Funds as per the investment advisory agreements in place between the Firm and the Funds.

The Firm has registered its Funds for marketing purposes with the National Private Placement Regimes of the following countries: (i) the United Kingdom (Financial Conduct Authority, “FCA”); (ii) the Netherlands (Netherlands Authority for the Financial Markets); and (iii) Belgium (Financial Services and Markets Authority). Additionally, TCA Credit Management Limited, a company formed in 2015 under the laws of England and Wales and a wholly-owned subsidiary of the Firm, became authorized and regulated by the FCA in October 2015 in order to provide certain marketing-related services on behalf of the Firm.

- (B) **Types of Advisory Services Offered:** The Firm offers services involving senior secured, short-term lending and advisory services to small, mainly listed companies. The Firm seeks to achieve superior risk-adjusted returns primarily by making directly negotiated debt and equity-related investments in publicly-traded and private companies. No assurance can be given, however, that a Fund will achieve its objective, and investment results may vary substantially over time and from period to period.

**Note:** For purposes of this Brochure, “Client” refers to the pooled investment vehicles (i.e., the Fund(s)), and investors in any such Clients are referred to as “Investors”.

The Firm holds itself out as specializing in providing senior secured debt financing to companies on a worldwide basis. Please review **Item 8** herein for additional information.

- (C) **Client Investment Guidelines and Parameters:** As stated above, the Firm provides discretionary investment advisory services to its Clients by investing primarily in debt and equity-related investments in publicly-traded and private companies. However, the Firm does not tailor its advisory services to the individual needs of Investors in its Funds.

- (D) **Wrap Fee Programs:** The Firm does not participate in wrap fee programs.

- (E) **Client Regulatory Assets Under Management:**

*Discretionary:* approximately \$470,084,702 as of January 31, 2018.

*Non-discretionary:* \$0 as of January 31, 2018.

**Item 5. Fees and Compensation:**

- (A) **Generally:** All fees are individually negotiated with investors of the Firm’s Clients. Circumstances considered when negotiating fees may include, without limitation, customary market rates, specialized guidelines, and other performance or incentive allocation or fee arrangements with our Clients.

Management fees are calculated based on a percentage of the value of the assets under management (referred to herein as “Management Fees”).

In addition, the Firm may collect performance or incentive allocations and/or fees based on the performance of investments. Please refer to **Item 6**, below, for a more detailed description of performance or incentive allocations and/or fees and related conflicts of interest.

- (B) **Payment of Fees:** Management fees are billed, generally monthly in advance, as specified in the applicable investment management agreement.

Regarding the Funds, the Firm receives Management Fees equal to 0.1667% per month (approximately 2% annually) of each Investor's share of the relevant Funds' net asset value, as detailed below. Net asset value calculations are made by the administrator, based on the estimates provided by the Firm, which the administrator does not independently verify.

The Firm may, in its sole and absolute discretion, reduce, waive or rebate the Management Fee charged to any Investor (including affiliates and employees of the Firm), including, in particular, during any wind-down of the Funds' business.

- (C) **Additional Fees and Expenses:** The Funds pay or reimburse the Firm and/or its affiliates for all organizational and initial offering expenses of the Funds, including, but not limited to, legal and accounting fees, printing and mailing expenses, marketing and travel expenses in connection with the initial distribution of the Funds and government filing fees (including blue sky filing fees). The Funds' organizational and initial offering expenses have been fully paid for.

Also, please refer to **Item 8** regarding other revenue sources.

The Funds pay or reimburse the Firm and its affiliates for: (i) all expenses incurred in connection with the ongoing offer and sale of the shares or interests in the Funds, including, but not limited to, printing of the offering memoranda and exhibits, marketing expenses, travel expenses and documentation of performance and the admission of Investors; (ii) all operating expenses of the Funds, such as tax preparation fees, governmental fees and taxes, fees to the Funds' administrator, costs of communications with Investors, and ongoing legal, accounting, auditing, bookkeeping, consulting and other professional fees and expenses; (iii) all Funds' research, trading and investment related costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales (if any), custodial fees and clearing and settlement charges); and (iv)

all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims, assertion of rights or pursuit of remedies, by or against the Funds, including, without limitation, professional and other advisory and consulting expenses and travel expenses.

(D) **Fees Paid in Advance:** Management Fees are payable monthly in advance, as of the first day of each month.

(E) **Other Compensation:** Employees do not accept compensation for the sale of securities or other investment products.

**Note:** In addition to the foregoing with respect to Items (A)-(D), additional details regarding the fees, expenses and compensation may appear in the offering and/or governing documents of each Fund and/or Client.

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

In addition to the Management Fees, the Firm is compensated for its investment management services through an incentive allocation and/or fee, also known as a performance-based allocation and/or fee (“Performance Fee”). Under this arrangement, a Client will be charged a fee contingent upon the performance within the Client’s account. The Firm, in its sole discretion, may waive or reduce the Performance Fee with respect to any Investor for any period of time, or agree to modify the Performance Fee for that Investor. The Firm may, in its discretion, reallocate a portion of the Performance Fee to certain Investors. To the extent a Fund is part of a “master-feeder” structure, no equalization adjustments are undertaken to each Investor.

The calculation of the Performance Fee will not take into account any change in the value of a Special Situation Investment (as defined below) held in a Side Pocket (as defined below) until such investment (or the sales proceeds thereof) has been reallocated from such Side Pocket to the capital accounts attributable to the participating Investors in a Fund.

*Generally:* In order for the Firm to receive a Performance Fee, the Firm must achieve capital appreciation within the account. The Firm will charge Performance Fees in adherence to a “high water mark,” which means that no Performance Fee will be earned unless the performance exceeds the previously achieved “high water mark” where Performance Fees were charged. The “high water mark” will be used in order to prevent a scenario whereby the Firm could receive a Performance Fee merely for recouping prior losses. A full description of the entire fee arrangement will be disclosed to the Client in such Client’s investment

management agreement or other relevant documents. Fees generally are deducted directly from the Client's account, as specified in the relevant investment management agreement. The Firm's receipt of Performance Fees is intended to align the Firm's interests with those of the Firm's Clients and to provide the Firm with a greater incentive to manage assets well. The nature of the Performance Fee, however, creates a potential conflict of interest among the Firm, its associated persons, and Clients.

Such fees will be structured and charged in a manner consistent with the requirements of applicable law, including the Investment Advisers Act of 1940, as amended ("Advisers Act"), and the Employee Retirement Income Security Act of 1974, as amended. The Performance Fee creates an incentive for the Firm to effect transactions in securities that are riskier or more speculative than would be the case in the absence of such an allocation. Since the Performance Fee is calculated on a basis which includes realized and unrealized appreciation of Client assets, such allocation or fee may be greater than if it were based solely on realized gains. To the extent the Firm values any such securities or instruments, it has a conflict of interest as the Firm will receive higher Performance Fees (and higher Management Fees) if it gives such securities and instruments higher valuations. Additionally, as the Funds' assets are hard to value, these assets may pose difficulty with the audit and qualifications. The Firm does not represent that the amount of the Performance Fees or the manner of calculating the Performance Fees is consistent with other performance-related fees charged by other investment advisers under the same or similar circumstances. The Performance Fees charged by the Firm may be higher or lower than the Performance Fees charged by other investment advisers for the same or similar services.

In addition, in the event that the Firm manages an account from which it collects Performance Fees and at the same time manages an account from which it does *not* collect Performance Fees, the Firm has an incentive to favor accounts from which it receives Performance Fees because it will receive a greater profit from the accounts that are charged Performance Fees. Therefore, the Firm has an incentive to allocate investments that are expected to be more profitable to accounts from which it collects Performance Fees, on the one hand, and that are riskier, on the other hand, since in both scenarios, the Firm may receive greater fees if the investment generates a positive return. Notwithstanding the foregoing, the Firm does not favor accounts that pay Performance Fees.

**Note:** In addition to the foregoing, additional details regarding the performance and/or incentive fees and/or allocations may appear in the offering and/or governing documents of each Fund and/or Client. For the avoidance of doubt, the Performance Fees may be payable/allocated to the Firm or an affiliate thereof.



In addition to generating investment returns from the companies in which it invests (or loans money to), the Funds receive fee income when the Firm, or an affiliate thereof, provides advisory services to other entities, including with respect to mergers and acquisition transactions, divestitures, capital structure, strategic advice and capital raising. When the Firm performs such services, regardless of whether or not such services relate to or result in a loan placed by the Funds, all of the fees generated from these advisory activities are considered fee income of the Funds. When these advisory services are performed by the affiliate of the Firm, any fees generated from such activity will be revenue to the Funds provided that such activity is related to or results in loans being placed by the Funds or the Funds participating in a loan. Fees generated from advisory services performed by an affiliate of the Firm will be revenue of the affiliate, and not of the Funds, if such activity is not related to or results in a loan being placed by the Funds or the Funds participating in a loan.

Fee income received by the Funds from the activities of the Firm or an affiliate in respect of such advisory work, less related professional and other expenses related to these functions, including, without limitation: (a) legal, investment banking and accounting fees and expenses; and (b) the costs incurred, or fees charged, by the Firm in conducting internal document review, capital structure review and field audit fees will be credited to the Funds on a net basis. As a result of the foregoing, the Firm has broad discretion in determining the portion of fee income that will be allocated to the Funds.

**Item 7. Types of Clients:**

The Firm's Clients include private investment funds whose Investors are individuals and institutions. For TCA Global Credit Fund, Ltd. the minimum initial and additional subscriptions vary by class share, and are more specifically identified in the relevant governing documents of the Fund.

For TCA Global Credit Fund LP, the minimum initial investment that will be accepted from an Investor making an investment in the Fund is US\$500,000. The minimum additional capital contribution that will be accepted from an existing Investor is US\$50,000.

In each case, however, the Firm or an affiliate has discretion to accept lesser amounts, subject to applicable law.

**Note:** In addition to the foregoing, additional details regarding the Clients and Investors may appear in the offering and/or governing documents of each Fund.

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

With respect to this Item, additional details regarding the method of analysis, investment strategies and risk of loss may appear in the offering and/or governing documents of each Fund and/or Client. The following considerations generally apply to the Clients of the Firm:

**(A) Methods of Analysis and Investment Strategies:**

The Firm provides almost exclusively senior secured debt financing to companies on a worldwide basis, including companies established in Europe, the Americas and Asia but limited to those countries who have very strong secured creditors' rights and laws. The Firm focuses primarily on providing alternative funding options for micro-cap and small-cap publicly-traded companies and private companies. The historical emphasis of the Firm's investment team has been on companies with market capitalizations under \$100 million. The Firm believes many companies have trouble accessing new financing and are experiencing uncertain financial conditions.

The Firm has broad discretion in making investments for the Funds. The Firm specializes in financing structures negotiated directly with issuers, some of which are private companies. The instruments in which the Firm may invest on behalf of the Funds include asset-based loans, convertible securities, convertible or straight debt instruments, convertible preferred securities, common stock and cash or cash equivalents. Convertible securities are typically convertible debt and sometimes convertible preferred stock. Convertible securities may or may not be secured and any security may or may not be adequate to ensure collection. Some aspects of the security may include assets in jurisdictions where it may be difficult to realize on the value of the collateral. There can be no assurance that the Firm will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments.

The Funds' investments in public companies will primarily include those companies trading in the U.S. over-the-counter markets and, to a lesser extent, the regulated markets worldwide.

**Asset-Based Lending**

The Funds intend to originate, invest in and hold to maturity collateralized loans, to a variety of companies across numerous sectors, such as industrial, services and trade companies. The Funds anticipate that the debt instruments will be secured by identifiable assets including, but not limited to, qualified accounts receivable, inventory, intellectual property, commodities and goods in transit and readily saleable equipment. The Funds will seek opportunities on a global basis, but with a focus on those jurisdictions where law and custom are clearly established. The Funds aim, by diversifying across debt transaction type and duration, to afford Investors more liquidity than longer-term asset-based lending strategies but with comparable returns year-to-year.

#### Convertible Debt Instruments

In structuring convertible debt instruments, the Funds will typically advance funds to an issuer that issues a debenture, such as a promissory note. Such debenture will typically have a fixed coupon or repayment schedule and may be converted to common stock or some other type of equity security at a future date. The conversion price will typically be discounted from the trading price of such securities in the public market. The ease of monetizing the underlying security will be directly related to the liquidity of the equity securities, which in turn, may depend upon whether the securities are being publicly traded and the nature of their marketability. The Funds may also receive additional shares or warrants to purchase additional shares. The debenture will generally be secured. The targeted investment horizon will generally be less than one year, but the Firm reserves the right to make investments with longer investment horizons.

#### Diversification

The Firm intends to comply with the general principle of risk diversification within sector, industry and geography, to the extent possible. As a general policy, investments in a single security or issued by a single issuer will not exceed 5% of the net asset value of a Fund at any time, and the Funds will use best efforts to invest no more than 10% of the Funds' assets in any equity fund, bond fund, or mixed fund of any issuer worldwide at any time. However, these limits are subject to changes to the Funds' liquidity, which may lead, at times, to an increase in a given exposure. Likewise, at the outset of the Funds, as the investment process begins, it may not be feasible to stay within these limits.

Other than complying with the general policies of diversification set forth above, the Funds may or may not be subject to other limits on the types or size of investments a Fund makes, or on the concentration of its investments (by country, sector, industry, capitalization, company or asset class).

#### Special Situation Investments and Side Pockets

The Master Fund may from time to time make investments that are subject to legal or contractual restrictions on transferability, cannot be fairly valued or are otherwise not readily marketable without impairing the value of such investments. In such cases, these investments may be categorized by the Firm as “Special Situation Investments” at the time of purchase or at a later date in accordance with the Master Fund’s partnership agreement. Special Situation Investments may be made directly by the Master Fund through one or more separate accounts or indirectly through an alternative investment vehicle (each, a “Side Pocket”) for such period of time as the Firm determines. Special Situation Investments held in a Side Pocket shall be carried at their fair value (which may be above or below cost), as determined by the Firm until the occurrence of a realization event so described in the Funds’ offering documents.

Newly admitted Investors may not participate in Special Situation Investments that were placed in a Side Pocket prior to their admission. Any expenses relating specifically to a Side Pocket will be charged to the Investors participating in such account.

#### Other Investment Strategies and Other Revenue Sources

The Funds’ investments may at any time include positions in publicly-traded or privately-issued common stocks, preferred stocks, stock warrants and rights, sovereign debt, corporate debt, bonds, notes or other debentures or bank/private debt participations, convertible securities, partnership shares and other securities or financial instruments including those of investment companies.

Investors seeking current income should not invest in the Funds.

In addition to generating investment returns from the companies in which they invest (or loan money to), the Funds (and/or the Firm) shall receive fee income that will be charged in relation to due diligence, structuring and consulting work carried out by the Firm for and on behalf of such companies. Fees received in respect of

this work, less related professional and other expenses related to these functions, including, without limitation, (a) legal, investment banking and accounting fees and expenses and (b) the costs incurred, or fees charged, by the Firm in conducting due diligence, internal document review, capital structure review and field audit fees. After such expenses and fees are paid to the outside vendors or the Firm, as the case may be, the fee income will be credited to the Funds on a net basis. As a result of the foregoing, the Firm will have broad discretion in determining the portion of fee income that will be allocated to the Funds.

**(B) Risks Associated with the Firm's Investment Strategies:**

The following risk factors apply to the Firm, as well as to any other Clients of the Firm (as applicable and as the context may require).

General Credit Risks. While loans and other financings held by the Funds or their affiliates are intended to be fully collateralized, the Funds may still be exposed to losses resulting from default. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien, among other factors, are each of great importance. The Funds cannot guarantee the adequacy of the protection of the Funds' interests, including the validity or enforceability of any loan and the maintenance of the anticipated priority and perfection of the applicable security interests or the value of those interests upon liquidation. Loans may become non-performing for a wide variety of reasons and may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the loan. However, even if such restructuring were successfully accomplished, a risk exists that the borrower still may not be able to pay the restructured loan, or that upon maturity of a restructured non-amortizing loan, replacement "take-out" financing will not be available. Furthermore, the Funds cannot assure that claims may not be asserted that might interfere with enforcement of the Funds' rights. In the event of a default, the liquidation proceeds upon the sale of the collateral or the loan itself may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to the Funds. Any costs or delays involved in the liquidation of the collateral will further reduce the proceeds and thus increase the loss. Ordinarily, the loans held by the Funds will be amortizing or otherwise self-liquidating during, or at the conclusion of, the term. However, the Funds may occasionally

finance on an at-maturity amortization basis, which would expose the Funds to concentrated repayment or refinance risk.

Lower Credit Quality Loans. There are no restrictions on the credit quality of the Funds' loans. Loans arranged by the Funds may be deemed to have substantial vulnerability to default in payment of interest and/or principal. Certain of the loans which the Funds may fund have large uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than better quality loans, but involve greater volatility of price and greater risk of loss of income and principal. The market values of certain of these loans also tend to be more sensitive to changes in economic conditions than better quality loans.

Investments in Small and/or Unseasoned Companies. The Funds may make loans to borrowers or invest in issuers that are small and/or unseasoned companies. While these companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and/or competitive strength of larger and/or more established companies. The prices of the loans and other securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies, as these loans and securities typically are traded in lower volume and the issuers typically are more subject to changes in earnings and prospects. In addition, when selling large positions in small capitalization securities, the seller may have to sell holdings at discounts from quoted prices or may have to make a series of small sales over a period of time.

Risks Associated with Holding Loans for Companies in Distressed Situations. As part of its lending activities, the Funds may hold loans for companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although the terms of such financing may result in significant financial returns to the Funds, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Funds will correctly evaluate the value of the assets collateralizing the Funds' loans or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company that the Funds finance, the Funds may lose all or part of the amounts advanced to

the borrower or may be required to accept collateral with a value less than the amount of the loan advanced by the Funds to the borrower.

Maturity Extension Risk. The term of those loans that default and enter into litigation may be extended thereby resulting in the collectability of such loans becoming more uncertain as the duration of the default continues. Such a default can cause a short-dated instrument to have a far longer maturity process than anticipated, which may affect the Funds cash flow and liquidity.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If the Funds hold a fixed income security to maturity, the change in its price before maturity may have little impact on the Funds' performance; however, if the Funds have to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Funds.

Fee Income. The Funds receive fee income that is charged in relation to structuring and consulting work carried out by the Firm for and on behalf of companies. The accounting treatment for such fee income is subject to change which can affect the net asset value of the Funds. Certain fee income associated with lending activities is difficult to monetize upon non-performance of an investment and therefore the net asset value of such investment may be impacted because of impairments not just from principal and the interest but also from such fees. Non-performing investments may require substantial workout negotiations or restructuring that may entail, among other things, substantial costs and a substantial reduction in the interest rate, a substantial write-down of the principal and/or a substantial extension of the amortization and/or maturity date of the investment. Any such reduction, write-down or extension will likely cause a significant decrease in the interest collections on the investments and any such write-down or extension will likely also cause a significant decrease in the principal collections on the investments.

Additionally, the collection of certain fee income derived from non-lending related consulting activities carried out by the Firm, including with respect to mergers and acquisition transactions, divestitures, capital structure, strategic advice and capital raising, may be delayed due to the structure of underlying transactions.

Portfolio Strategy Risk. As the Funds continue to generate returns

from fee income when the Firm or its affiliate provides advisory services to entities not associated with the Firm's lending practice, including with respect to mergers and acquisition transactions, divestitures, capital structure, strategic advice and capital raising, fee income not dependent on the Funds' resources may become a more substantial percentage of the assets of the Funds. However, this type of revenue may take longer to collect and is subject to higher risk of not being monetized than other fee income that the Funds earn.

The Funds' assets related to accounts receivable in connection with consulting revenue are unsecured. This means that unlike the secured loans held by the Funds, these assets do not have the protection of collateral or funds on deposit to offer the security of some form repayment and therefore asset protection to Investors. In turn, this may mean that some or all of the Funds' financial assets related to accounts receivable in connection with consulting revenue may prove to be without any monetary value to Investors.

Ability to Purchase Loans on Advantageous Terms; Competition and Supply. The Funds' success may depend, in part, on the Fund's ability to make or acquire loans on advantageous terms. In such activity, the Funds will compete with a broad spectrum of lenders, many of which have substantially greater financial resources and are more well-known than the Funds. Increased competition for, or a diminishment in the available supply of, qualifying loans could result in lower yields on such loans, which could reduce returns to Investors.

Fraud. Of paramount concern in originating or purchasing loans is the possibility of material misrepresentation or omission on the part of a borrower, originator or third-party service provider. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Funds to perfect or effectuate a lien on the collateral securing the loan, or create other difficulties that could impair or eliminate the value of the loan. The Funds rely upon the accuracy and completeness of representations made by borrowers, originators and third party service providers (as applicable) to the extent reasonable, but cannot guarantee that such representations are accurate or complete. Under certain circumstances, payments to the Funds may be reclaimed if any such payment or distribution is later determined by court to have been a fraudulent conveyance or a preferential payment.

Claims of Lender Liability and Equitable Subordination. Because



of the nature of certain of the Funds' lending practices, the Funds could be subject to allegations of lender liability or "equitable subordination." The common law principle of lender liability is based upon the premise that an institutional lender has violated an implied or contractual duty of good faith and fair dealing owed to the borrower or a fiduciary duty owed to the borrower, its other creditors or shareholders as a result of the lending institution assuming a certain degree of control over the borrower through any loans that it has made. Moreover, under common law principles that in some cases form the basis for lender liability claims, if a lending institution: (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower; (ii) engages in other inequitable conduct to the detriment of such other creditors; (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court, in its discretion, may elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." In limited circumstances, the Funds' investments may involve loans in which the Funds will not be the lead creditor. Accordingly, it is possible for claims of lender liability or equitable subordination to affect the Funds' investments without the Funds being directly involved.

Participations. The Funds may participate in loans originated by third party lenders. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that the third party may at any time have economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take action contrary to the Funds' investment objectives. In addition, the Funds may be liable for actions of its co-lenders. When the Funds engage in such indirect investments, fees may be payable to such third parties by the Funds, in addition to the fees already payable to the Firm by the Funds.

Impairment of Collateral. A convertible or straight debt instrument may not be collateralized or, where collateralized, may not be fully collateralized, which may cause such instrument to decline significantly in value.

Prepayment. The ability of an issuer of a debt security to repay principal prior to a security's maturity can limit the potential for gains.

Non-U.S. Investments. From time to time, the Funds may invest and trade a portion of their assets in non-U.S. securities and other assets (through loans to foreign companies, through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non-U.S. issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by non-U.S. governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some non-U.S. countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against non-U.S. governments.
- Non-U.S. securities and other assets often trade in currencies other than the U.S. dollar, and the Funds may directly hold non-U.S. currencies. Changes in currency exchange rates will affect the Funds' net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Funds' investments to decline. Some non-U.S. currencies are particularly volatile. Non-U.S. governments may intervene in the currency markets, causing a decline in value or liquidity of the Funds' non-U.S. currency holdings.
- Markets for foreign loans and their collateral, foreign securities, commodities and other assets may be less liquid, more volatile and less closely supervised by the government than in the United States. Non-U.S. countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Currency Risks Related to Investments. The Funds' investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Firm are extremely competitive

and each involves a degree of risk. The Funds will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Sanctions. The Funds are subject to laws which restrict them from dealing with persons that are located or domiciled in sanctioned jurisdictions. Accordingly, the Funds will require the Investors to represent that they are not named on a list of prohibited entities and individuals maintained by the US Treasury Department's Office of Foreign Assets Control ("OFAC") or under the European Union and United Kingdom Regulations (as extended to the Cayman Islands by Statutory Instrument), and is not operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United Nations, European Union or United Kingdom (collectively "Sanctions Lists"). Where the Investor is on a Sanctions List, the Funds may be required to cease any further dealings with the Investor's interest in the Funds, until such sanctions are lifted or a license is sought under applicable law to continue dealings.

Market Volatility. The profitability of the Funds substantially depends upon the Firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Funds cannot guarantee that the Firm will be successful in accurately predicting price and interest rate movements.

Volatility of Currency Prices. To the extent applicable, the Funds' ability to properly hedge the currency exposure of Investors holding Euro class shares, Sterling class shares and Australian class shares substantially depends upon the Firm's ability to execute trades that correctly manage the future price movements of such currencies. However, price movements of currencies and the foreign exchange markets in which they trade are highly volatile, and can be challenging to hedge accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; a wide range of national and international economic, political, competitive and other conditions (including acts of terrorism and war); and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. The Funds cannot guarantee that the Firm will be successful in accurately hedging currency prices.

Funds' Investment Activities. The Funds' investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Firm. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Funds to realize profits. Additionally, specific investments under the Firm's strategy may require significant time to realize the expected return and may experience a pricing correction in a faster-than-expected time, subjecting the Funds to reinvestment risk. As a result of the nature of the Funds' investing activities, it is possible that the Funds' financial performance may fluctuate substantially over time and from period to period.

Investments in Securities and Other Assets Believed to be Undervalued. The Firm may invest a portion of the Funds' portfolio in securities and other assets that the Firm believes to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from the Funds' investments may not adequately compensate for the business and financial risks assumed. Economic conditions and any future major economic recession can severely disrupt the markets for such investments and significantly impact their value. In addition, any such economic downturn can adversely affect the ability of the issuers of such obligations to repay principal and pay interest thereon and increase the incidence of default for such securities. Additionally, there can be no assurance that other Investors will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, the Funds may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of the Funds' funds would be committed to the investments made, thus possibly preventing the Funds from investing in other opportunities.

Contractual Risks. Unlike the purchase of freely tradable common stock in the open market, the Funds' investments generally involve contractual obligations by the issuer of such securities requiring the issuer to take certain actions, such as, in the case of convertible securities, issuing the underlying securities upon exercise of

convertible securities. In order for the Funds' investment strategy to be effective, the issuer of such securities must abide by its contractual obligations. The Funds intend to aggressively enforce its rights under its contractual relationships with issuers, while also taking into account the costs of any litigation. If an issuer fails to meet its contractual obligations, in addition to the possibility of being involved in costly litigation, the Funds may be unable to dispose of the securities at appropriate prices, if at all, or may experience substantial delays in doing so. Accordingly, the Funds may not be able to realize the anticipated profit with respect to such investment for a substantial period of time, if ever.

Control Over Portfolio Companies. The Funds may from time to time acquire substantial positions in the securities of particular companies. The Funds also periodically designate a consultant or employee of the Firm to act as a director or board member for the TCA Global Credit Master Fund, LP's portfolio companies to protect the security and collateral interest of the Funds. There can be no assurance that the existing management team, or any successor, of a company will be able to operate the company in accordance with the Funds' investment plans. The Funds may, in certain circumstances, designate a consultant or employee of the Manager to act as a Director or Board Member of a company in order to assume control of the management of such company to protect the security and collateral interests of the fund.

Leverage. The Master Fund may employ leverage, including through the use of borrowings, for the purpose of making investments. The level of interest rates at which the Funds can borrow will affect the operating results of the Funds. If the Funds leverage their assets to borrow additional funds for investment purposes, the Funds may be required to pledge their assets to secure such borrowings, potentially reducing the Funds' liquidity. While the Firm will look to any such inherent leverage in assessing the leverage to be applied within the portfolio overall, the use of leverage creates special risks and may significantly increase the Funds' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the Funds' exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the net asset value to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the net asset value may decrease more rapidly than would otherwise be the case. Any limitation on the availability of borrowing facilities may have a

detrimental effect on the Funds' ability to maintain its intended level of leverage. As Investors rank for repayment after all other creditors, Investors may not get back their full investment if there are insufficient funds to discharge creditors (including such Investors who have redeemed their interest but have not been paid their redemption proceeds in full).

Hedging Transactions. Currently, to the extent applicable, the Funds utilize certain financial instruments such as options and forward contracts in an attempt to (x) hedge the currency exchange rate risk related to the Euro class shares, the Sterling class shares and the Australian class shares and (y) structure for tax purposes.

Lending Activities. The laws regarding the origination of debt or debt-linked investments are frequently highly complex and may include licensing requirements. The licensing processes can be lengthy and can be expected to subject the Funds to increased regulatory oversight. In some instances, the process for obtaining a required license or exception certificate may require disclosure to regulators or to the public of information about the Funds, their direct or indirect Investors, its loans, its business activities, its management or controlling persons or other matters. Failure, even if unintentional, to comply fully with applicable laws may result in sanctions, fines, or limitations on the ability of the Funds, the Firm or affiliates of the foregoing to do business in the relevant jurisdiction or to procure required licenses in other jurisdictions, all of which could directly or indirectly have a material adverse effect on the Funds.

Default Risks. The Funds may invest in debt securities and will be exposed to the risk of default by both public and private issuers. At any time, a substantial portion of the investments held in the Funds' portfolio may consist of instruments that are low-rated or unrated. Emerging markets debt securities consist of instruments that are generally considered to have a credit quality rated below investment grade by internationally recognized credit rating organizations, such as Moody's and Standard & Poor's. Non-investment grade securities (that is, rated Ba1 or lower by Moody's or BB+ or lower by Standard & Poor's) are regarded as predominantly speculative with respect to the issuers' capacity to pay interest and repay principal in accordance with the terms of the obligations and involve significant risk exposure to adverse conditions. To the extent that any issuers default upon their obligations, the rate of return on investment realized by the Funds will be adversely affected.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Firm, and its affiliates, certain principals or employees of the Firm, and its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Firm selects investments for the Funds, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Firm by the issuers or through sources other than the issuers. Although the Firm evaluates certain such information and data and sometimes seeks independent corroboration when the Firm considers it is appropriate and when it is reasonably available, the Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate. Lack of access to information may make it more difficult for investments to be evaluated and for the value of portfolio securities to be accurately determined. Furthermore, the Funds may not always be able to reallocate their assets in response to market changes because information about the Funds' investments may not be readily available at all times.

Registration Delays or Failures. There is no established formal secondary market for the convertible or straight debt instruments held by the Funds. The Funds anticipate that repayment of convertible debt instruments will come from the sale of the common stock underlying such instruments only after such sale is registered or exempt from registration. The Funds' ability to resell the shares of issuers acquired pursuant to convertible debt instruments may be substantially delayed if public or private issuers fail or refuse to register the shares or if the registration statement filed with respect to such shares is not declared effective on a timely basis.

Risk of Default or Bankruptcy of Third Parties. The Funds may engage in transactions in securities and other financial instruments and assets that involve counterparties. The vast majority of the loans extended and debt instruments purchased will be from unrated companies. Under certain conditions, the Funds could

suffer losses if a counterparty to a transaction were to default or if the market for certain securities or other financial instruments or assets were to become illiquid. In addition, the Funds could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Funds do business, or to which securities or other financial instruments or assets have been entrusted for custodial purposes. The Funds' potential to suffer losses is increased due to the nature of small unrated businesses. If there is a failure or default by the counterparty to such a transaction, the Funds may have contractual remedies pursuant to the agreements related to the transaction (which may or may not be meaningful depending on the financial position of the defaulting counterparty).

- (C) **Security-Specific Risks:** Please see the response to Item 8 (B), above.

**Note:** In addition to the foregoing with respect to Items (A), (B), and (C), additional details regarding the method of analysis, investment strategies and risk of loss may appear in the offering and/or governing documents of each Fund and/or Client.

**Item 9. Disciplinary Information:**

Legal and disciplinary events in which the Firm or any supervised persons have been involved that are material to a Client's or prospective client's evaluation of the Firm's advisory business or management are listed below (see response after each event).

- (A) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the Firm or a management person:
- (i) Was convicted of, or pled guilty or nolo contendere ("no contest") to: (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses. N/A
  - (ii) Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses. N/A



- (iii) Was found to have been involved in a violation of an investment-related statute or regulation. **N/A**
  - (iv) Was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order. **N/A**
- (B) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the Firm or a management person:
  - (i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**
  - (ii) Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:
    - a. Denying, suspending, or revoking the authorization of the Firm or a management person to act in an investment-related business. **N/A**
    - b. Barring or suspending the Firm's or a management person's association with an investment-related business. **N/A**
    - c. Otherwise significantly limiting the Firm's or a management person's investment-related activities. **N/A**
    - d. Imposing a civil money penalty of more than \$2,500 on the Firm or a management person. **N/A**
- (C) A self-regulatory organization (SRO) proceeding in which the Firm or a management person:
  - (i) Was found to have caused an investment-related business to lose its authorization to do business. **N/A**
  - (ii) Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or

was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. N/A

**Other:** An unrelated law suit entitled Trafalgar Capital Specialized, et al. vs. Trafalgar Capital Advisors, LLC, et al., and a companion derivative suit, each involving certain related parties to the Fund and previously reported in our prior offering memorandums, has been finally settled and was dismissed with prejudice on February 3, 2017. All parties to these actions agreed that all aspects of the settlements were to kept confidential.

From time to time, the Master Fund initiates civil commercial litigation matters as a creditor to enforce its obligations under various transaction agreements against debtors who have defaulted on their obligations to repay the Master Fund. On occasion, the Master Fund, the Firm, the General Partner and/or their officers or principals are named as defendants in a pre-emptive lawsuit and/or counterclaim filed by a defaulted debtor after the borrower is served with a notice of default. The defendants in such cases aggressively seek to dismiss preemptively filed cases by defaulted debtors.

The Master Fund, Mr. Robert Press, Ms. Donna Silverman, the Firm and the General Partner have been named as Defendants in a lawsuit filed by a Borrower and various corporate guarantors who defaulted on the terms of successive agreements with the Master Fund (“Defaulted Debtor Parties”) in the case Viridis Corporation, et al. v. TCA Global Credit Master Fund, L.P., Robert Press, Donna Silverman, TCA Global Credit Fund GP, Ltd. and TCA Fund Management Group Corp., Case No. 0:15-cv-61706-UU (S.D. Fla.)(Ungaro, J.).

The Firm believes that this is a retaliatory action filed by defaulted debtor parties in response to a declaration by default by TCA Global Credit Master Fund, LP. The Master Fund, Mr. Press and Ms. Silverman successfully sought and obtained a dismissal of the First Amended Complaint on December 17, 2015 and a dismissal of the Second Amended Complaint on March 16, 2016. The Plaintiffs filed a Third Amended Complaint on March 31, 2016 which added TCA Fund Management Group Corp. and TCA Global Credit Fund GP, Ltd. as Defendants. The

Third Amended Complaint was challenged through another Motion to Dismiss by the Master Fund, Mr. Press, Ms. Silverman and the other defendants. On March 6, 2017, the court granted the Motion to Dismiss the Third Amended Complaint and dismissed all pending claims against the Master Fund, Mr. Press, Ms. Silverman and the other defendants with prejudice. On March 20, 2017, the Defaulted Debtor Parties filed Notice of Appeal of the final order of dismissal to the U.S. Court of Appeals for the Eleventh Circuit, which, on January 3, 2018, affirmed in part, and reversed in part, the District Court's ruling. The Court affirmed dismissal of most claims that preceded execution of the latest contracts between the parties, including claims based upon usury, but remanded for further consideration of claims based upon fraud and claims alleged to have arisen after the execution of the latest agreements between the parties.

The Defaulted Debtors on January 22, 2018 filed a Petition for rehearing before the Eleventh Circuit, or in the alternative to Certify Question to the Supreme Court of Florida, both of which were denied by the Eleventh Circuit on February 15, 2018. On February 23, 2018, the Eleventh Circuit issued the mandate to the District Court and the District Court entered an order on February 26, 2018 on the mandate requiring the Defaulted Debtor Parties to file a Fourth Amended Complaint on or before March 9, 2018. On March 13, 2018, the Plaintiffs filed a Fourth Amended Complaint against the Master Fund, Mr. Press, Ms. Silverman, TCA Fund Management Group Corp. and TCA Global Credit Fund GP, Ltd. alleging claims under Nevada law based upon Fraud, Misrepresentation, Unfair and Deceptive Trade Practices, Bad Faith, Civil Rico, and violation of Nevada Revised Statute 604A entitled "Deferred Deposit Loans, Short-Term Loans, Title Loans and Check-Cashing Services". On April 10, 2018, the TCA parties filed a Motion to Dismiss the Fourth Amended Complaint.

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

- (A) The Firm nor any of its management persons have any existing or pending applications pending to register with a broker-dealer or a registered representative of a broker-dealer.

- (B) The Firm and its management persons are neither registered, nor do they have any applications pending to register, as a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), Commodity Trading Advisor (CTA), or as an associated person of the foregoing entities.
- (C) As identified in Item 7.A. Financial Industry Affiliations of its Form ADV Part 1, TCA Global Credit Fund GP, Ltd., is included on the basis of its relationship as a general partner for certain Clients of the Firm. The Firm nor its management persons have a relationship or arrangement that is material to its advisory business or to its Clients, with any related person as discussed below:
- (i) Broker-dealer, municipal securities dealer, or government securities dealer or broker. **N/A**
  - (ii) Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund). **N/A**
  - (iii) Other investment adviser or financial planner: **N/A**
  - (iv) Futures commission merchant, commodity pool operator, or commodity trading advisor. **N/A**
  - (v) Banking or thrift institution. **N/A**
  - (vi) Accountant or accounting firm. **N/A**
  - (vii) Lawyer or law firm. **N/A**
  - (viii) Insurance company or agency. **N/A**
  - (ix) Pension consultant. **N/A**
  - (x) Real estate broker or dealer. **N/A**
  - (xi) Sponsor or syndicate of limited partnerships. **N/A**
- (D) The Firm does not recommend or select other investment advisers for its Clients.

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

A copy of the code of ethics ("Code of Ethics") is available upon request to Clients or prospective clients.

- (A) The Code of Ethics is based upon the premise that all the Firm personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory services. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of the Firm; (3) observe the Firm's personal trading policies so as to avoid "front-running" and other conflicts of interest between the Firm and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Firm's Chief Compliance Officer, and that personnel who violate the Code of Ethics are subject to sanctions by the Firm, up to and including termination.

*Participation or Interest in Client Transactions:* The Firm permits its employees to maintain personal trading accounts in which they have discretionary authority. The Firm recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and the Firm requires that all such transactions be carried out in a way that does not endanger the interest of any Client. The Firm and its related persons may invest their personal funds in Client transactions. Therefore, in order to address conflicts of interest, the Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors and employees (hereafter in this Item 11, "Employees") for their personal accounts. In order to monitor compliance with its personal trading policy, the Firm has adopted a quarterly securities transaction reporting system for all of its Employees. For purposes of the policy, an Employee's "personal account" generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Firm's Client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

Associated persons of the Firm may recommend to Clients the purchase or sale of investment products in which it or a related

person may have some financial interest, including, but not limited to, the receipt of compensation. Records will be maintained of all securities bought and sold by associated persons and related persons.

Additionally, the Code of Ethics sets forth the Firm's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that the Firm and each of its Employees has to each of its Clients. The Code of Ethics is circulated at least annually to all Employees, and each Employee, at least annually, must certify, in writing, that he or she has received and followed the Code of Ethics and any amendments thereto.

*Other Activities of the Firm and its Affiliates:* Neither the Firm, nor any affiliate or Employee, is required to manage Client accounts as its sole and exclusive function. Each of them may engage in other business activities, including competing ventures and/or other unrelated employment. Employees must obtain written approval from the Chief Compliance Officer before engaging in other business activities. In addition to managing Client accounts, the Firm, and its affiliates or Employees may provide investment advice to other parties and may manage other accounts in the future.

**Item 12. Brokerage Practices:**

The Firm is responsible for the placement of the portfolio transactions of the Funds and the negotiation of any commissions paid on such transactions. Portfolio securities normally are purchased through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through brokers involve a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include the spread between the "bid" and the "ask" price. The Firm may utilize the services of one or more brokers and/or custodians who will execute and clear the relevant brokerage transactions.

**Note:** In addition to the foregoing, additional details regarding brokerage practices may appear in the offering and/or governing documents of each Fund and/or Client.

**Item 13. Review of Accounts:**

- (A) All Client accounts managed by the Firm are reviewed, at least on a monthly basis for conformity with the relevant Client's objectives and guidelines.
- (B) The calendar is the main triggering factor of a review of an account. More frequent reviews may also be triggered by, among other things, Client capital injections and/or withdrawals. From an investment management perspective, triggers for review include emerging trends and developments, market volatility, economic factors, financial results of a portfolio company, analyst commentary, and news.
- (C) In general, reports showing transactions and positions are sent to the Clients by qualified custodians. Monthly account statements showing performance (unaudited) are sent to Investors by the administrator. In addition, the Clients' realized gains/losses, interest and dividends earned are reported to Investors annually.

Each Investor will receive the following: (i) annual financial statements of the relevant Fund audited by an independent certified public accounting firm, as soon as practicable following each fiscal year; (ii) an Investor letter each month, sent following the determination of the estimated net asset value, discussing the results of the relevant Fund; and the Master Fund (the monthly net asset value determination is an estimate pending annual audit verification); (iii) reports containing such information necessary for the completion of such Investor's tax returns; and (iv) other reports as determined by or on behalf of the Fund. The relevant Fund shall bear all fees incurred in providing such tax returns and reports.

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

- (A) The Firm does not receive, from any non-Client, any economic benefit associated with advising Clients.
- (B) The Firm may use independent third-party solicitors to refer Investors to the Firm and pay a portion of its advisory fees to such solicitors, in accordance with the Advisers Act. The Firm may engage underwriters, brokers, dealers or finders to assist in the offering of shares or interests in a Fund, or in finding other Clients. Except for commissions on brokerage transactions (which will be paid by Clients), the Firm will pay (and will not charge Clients or Investors) fees and commissions that may be payable to any such

brokers or finders for assisting in the offering or sale of shares or interests in a Fund, or in finding other Clients.

**Item 15. Custody:**

The Firm intends to comply with the Custody Rule by: (i) having an independent public accountant annually audit the pooled investment vehicles and distribute such audited financial statements to Investors in the Funds (as mentioned in Item 13 above); or (ii) having an independent public accountant conduct an annual surprise examination of Client funds and securities. Due to (i) our access to Clients and authority to instruct the administrator to deduct fees and other expenses from a Client's account and (ii) services provided by our affiliates as general partners of certain of our Clients, we are deemed under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, to have custody of these Clients' funds.

We utilize the services of banks or other qualified custodians (as defined under Rule 206(4)-2) to hold all assets of these clients. We also endeavor to ensure that the qualified custodians maintain these funds in accounts that contain only Clients' funds and securities, under the Client's name or our name as agent or trustee for the clients. As indicated above in Item 13, the qualified custodians send monthly account statements directly to the Clients. The administrator sends monthly account statements to Investors. Investors in the Funds should carefully review their account statements. While Rule 206(4)-2 generally requires an investment adviser to ensure that a qualified custodian sends account statements to clients at least quarterly, we are not subject to this requirement because all Clients managed by the Firm are subject to audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. In these cases, we expect to distribute audited financial statements to all investors in our Clients within 120 days of the end of the fiscal year.

**Item 16. Investment Discretion:**

The Firm has discretionary investment authority over Client assets that are managed by the Firm, subject to each Client's relevant governing documents. Please also refer to Items 4(C) and 8(A).

**Item 17. Voting Client Securities:**

- (A) This section does not apply to the Firm, as the Firm does not generally receive the opportunity to vote Client securities or proxies. However, should this change, the Firm will adopt proxy voting policies and procedures pursuant to Rule 206(4)-6.



(B) Please refer to Item 17(A).

**Item 18. Financial Information:**

- (A) The Firm does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.
- (B) Because the Firm has discretionary authority over and/or custody of Client funds or securities, the Firm has disclosed, as follows, any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients: **None.**
- (C) The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

**Item 19. Requirements for State-Registered Advisers: N/A**