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## FORM ADV PART 2A: FIRM BROCHURE

### SUNRIVER MANAGEMENT LLC

201 Tresser Boulevard  
Stamford, CT 06901  
Phone: 203-595-4550

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*This brochure provides information about the qualifications and business practices of Sunriver Management LLC. If you have any questions about the contents of this brochure, please contact us at (203) 595-4550 or by email at [compliance@sunrivermgmt.com](mailto:compliance@sunrivermgmt.com).*

*The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Registration does not imply a certain level of skill or training.*

*Additional information about Sunriver Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**Item 2. Material Changes**

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This is the initial filing of the Form ADV Part 2A for Sunriver Management LLC and as such, there are no material changes to report. In the future, this Item will discuss specific material changes that were made to the brochure and will provide a summary of such changes.

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#### Item 4. Advisory Business

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Sunriver Management LLC (“Sunriver”, the “Adviser”, the “Firm”, “we”, “us”, “our” and similar terms) is an investment adviser with its principal place of business in Stamford, CT. Sunriver is a limited liability company formed in August 2015 under the laws of the State of Delaware. Randolph Willett (“Will”) Cook and his affiliates control the Firm.

Sunriver intends to offer investment advisory services on a discretionary basis to private funds (each, a “Fund”, and collectively, the “Funds”) that are intended for sophisticated investors. The Funds are offered in a master-feeder structure and include:

- Sunriver Fund LP, a Delaware limited partnership (the “Domestic Fund”);
- Sunriver Fund Ltd., a Cayman Islands exempted company (the “Offshore Fund”, and together with the Domestic Fund, the “Feeder Funds”);
- Sunriver Intermediate Fund Ltd., a Cayman Islands exempted company (the “Intermediate Fund”), into which the Offshore Fund intends to invest substantially all of its assets; and
- Sunriver Master Fund Ltd., a Cayman Islands exempted company (the “Master Fund”), which serves as the master fund into which the Domestic Fund and the Intermediate Fund intend to invest substantially all of their assets.

The Funds are managed according to the investment objectives and strategies as set forth in each Fund’s Confidential Private Offering Memorandum (“Offering Document”) and are generally not tailored to any particular private investor in the Funds (each an “Investor”).

Sunriver GP LLC, a Delaware limited liability company (the “General Partner”), is the general partner of the Domestic Fund and is a shareholder of the Intermediate Fund. Sunriver Global LP, a Delaware limited partnership, is the managing member of Sunriver. Sunriver Advisors LLC is the general partner of Sunriver Global LP, while Mr. Cook is the managing member of Sunriver Advisors LLC and of the General Partner.

Sunriver is a newly formed adviser that intends to advise assets in excess of US\$100 million within 120 days of being approved as a registered investment adviser with the U.S. Securities and Exchange Commission (the “SEC”). As such, Sunriver does not currently have assets under management. Sunriver intends to update this Form ADV Part 2A to reflect, among other things, its regulatory assets under management within 120 days of being approved as a registered investment adviser by the SEC.

#### Item 5. Fees and Compensation

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The fees applicable to each Fund are set forth in detail in each Fund’s Offering Document. A brief summary of such fees, expenses and compensation (all of which is qualified by and subject to the language of the applicable Fund’s Offering Document) is provided below.

**Management Fee.** As the investment adviser to the Funds, Sunriver receives a management fee at an annual rate of 1.5% of the net assets of each Investor’s capital account. This management fee is deducted from the Funds’ accounts quarterly in advance based on the beginning balance of each Investor’s account. The management fee will be prorated for any investment period that is less than a full calendar quarter and refundable if the advisory contract is cancelled prior to the end of a billing period.

While the amount of compensation and method of payment are not generally negotiable, Sunriver may, in its sole discretion, waive or reduce the management fee for certain Investors that are members, principals, employees or affiliates of Sunriver or relatives of such persons and for certain strategic Investors.

**Other Fees and Expenses.** Sunriver will render its services to the Funds at its own expense, including all of its ordinary office overhead expenses, which include rent, supplies, secretarial/internal administrative expenses, stationery, charges for furniture and fixtures, salaries and bonuses, employee insurance and payroll taxes.

All other expenses will be borne by the Funds and will include legal, accounting, tax preparation, auditing and other professional expenses, administration fees and expenses, costs and expenses relating to the Funds' regulatory compliance (including, without limitation, expenses attributable to regulatory filings which are made with respect to the Funds or assets of the Funds (including Form PF, Section 13 and Section 16 filings), compliance programs, examinations, and regulatory inquiries), Fund related insurance costs (including D&O insurance for the Adviser and General Partner), research expenses (including without limitation research related travel, third-party research, news and quotation subscriptions and services (including fees for data and software providers)), investment expenses (such as commissions, interest on margin accounts and other indebtedness, borrowing charges on securities sold short and direct fees and expenses, including legal fees and due diligence expenses, related to the analysis, purchase or sale of investments, whether or not the investment is consummated), custodial fees, bank service fees, third-party trading and/or portfolio-related software costs such as order management, risk management and similar systems, third-party costs of preparing and distributing periodic reports and other investor communications, the fees and out-of-pocket expenses of any service providers incurred in performing services for the Funds, and other expenses related to the purchase, holding, sale or transmittal of the Funds' assets. The Funds' assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the Funds will bear their pro rata share of the investment management fee and other fees of the Funds, which are in addition to any fees or other compensation paid to the Adviser. Feeder Funds bear a pro rata share of the expenses associated with the Master Fund.

If Sunriver incurs any of the expenses mentioned above on behalf of the Funds, then the Firm will allocate such expenses among the Funds in proportion to the size of the investment made by each in the activity or entity to which the expense relates, or in such other manner as Sunriver considers fair and reasonable.

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

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At the end of each fiscal year or at the time of withdrawal of an Investor, the General Partner (an affiliate of Sunriver) expects to receive an incentive allocation, which ranges from 17% to 20% of the net profits attributable to each Investor's account, if any, depending on the particular series of each Investor and subject to a "loss carryforward" provision. The incentive allocations are charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act").

While the amount of compensation and method of payment are not generally negotiable, the General Partner may, in its sole discretion, waive or reduce the incentive allocation for certain Investors that are members, principals, employees or affiliates of Sunriver or relatives of such persons and for certain strategic Investors.

At inception, all Fund assets are expected to be managed in the Master Fund. In the event Sunriver provides investment management services to multiple portfolios for multiple client accounts certain side-by-side conflict of interest issues would arise. Certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When Sunriver and its investment personnel manage more than one client account there is the potential for one client account to be favored over another client account. Sunriver and its investment personnel have a greater incentive to favor client accounts that pay Sunriver higher fees. To the extent we are engaged by additional clients, Sunriver's policy is to allocate investment opportunities on a fair and equitable basis over time and in a manner that is consistent with the investment objectives of each client account. As such, our procedures will include requiring that similarly managed accounts participate in eligible investment opportunities pro rata based on asset size and that, to the extent orders are aggregated, the orders for participating client accounts will be allocated at an average price where possible.

For a more detailed discussion on incentive allocations, please see the relevant Fund's Offering Document.

## **Item 7. Types of Clients**

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As described above, Sunriver expects its clients to consist of the Funds. Each Fund's Offering Document and subscription agreements provide the eligibility criteria and minimum investment requirements for that entity. Initial and additional subscription minimums, which may be waived at the discretion of the Firm, are disclosed in the Offering Document for each Fund.

In general, each Investor in the Funds must be an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, and a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act of 1940.

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

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### **Methods of Analysis and Investment Strategies**

Our investment objective is to seek attractive, risk-adjusted capital appreciation through long and short investments primarily in equity securities globally. We will seek to achieve this objective by applying a fundamental, in-depth research driven approach to investment selection. We believe that a strict adherence to a well-conceived, repeatable investment process improves the likelihood of attractive investment outcomes over time. As such, a key part of our process is to seek investments that fit certain "frameworks". A framework is an investment archetype that has been successful in the past. Adhering to these frameworks enhances pattern recognition and helps ensure that we are operating within our circle of competence. Sunriver's investment process is also driven by three overarching principles (asymmetry, quality bias and variant perception), as described below.

Asymmetry: We pursue investment opportunities that we believe carry a high probability of significant capital appreciation and a low probability of meaningful permanent capital loss. We seek to accomplish this by evaluating investment returns under a range of scenarios and probability weight those scenarios based on information learned throughout our research process. Asymmetric investment opportunities can arise with stocks that are more commonly characterized as growth or value names.

Quality Bias: We believe that over long periods of time, the quality of a company and the attractiveness of its end market are likely to have an impact on the rate of value creation or destruction of the company's securities. When evaluating quality, we consider attributes such as a leadership position in a market with sustainable barriers to entry, beneficiaries of structural growth tailwinds, high returns on invested capital, strong free cash flow conversion, and management teams with incentives that are aligned with shareholders. Since we expect to employ a relatively long-term investment time horizon, we will generally seek to purchase securities of higher quality companies and short securities of lower quality companies. We aim to buy high quality companies that we believe have been marked down for temporary reasons, and as the market's concerns fade over time, we believe that outperformance can be derived from a combination of multiple expansion and the compounding of faster-than-market earnings growth. We seek to short lower quality companies when we believe the market is temporarily overlooking longer-term issues facing the business, which we believe to be a regularly occurring and exploitable market inefficiency driven by the short-term investment horizons of many money managers.

Variant Perception: We strive to develop a differentiated view about the fundamental business prospects of our investments. A variant perception can be developed about a single security, a group of companies, a sector, or a theme. If the facts come to support our variant perception over time, we expect that the market's assessment of the idea's prospects will converge with our view. The closing of this gap often causes security prices to change and generates investment gains for our clients. Sunriver segments variant perceptions into three buckets:

- Analytical variant perception arises when our analytical work enables the Firm to have what we believe is a better understanding of the direction and/or magnitude of a company's likely future profit pools. This type of variant perception often comes from looking at second derivative metrics, leading indicators, or profit flow-through analysis. Analytical variant perceptions can also arise from other analytical sources including analytical accounting work.
- Informational variant perception arises when we believe that we have unique or superior information about a company, its products, and/or the sustainability of its competitive advantage than does the average market participant. This type of variant perception often can be obtained by attending trade shows and/or by speaking with competitors, customers, and other industry observers.
- Behavioral variant perception arises when market participants fall prey to natural human tendencies such as confirmation bias, recency bias, anchoring, and the endowment effect. We believe that by having a working knowledge of behavioral finance, we have an advantage in understanding why a security may be mispriced due to economically irrational decisions driven by human emotion.

Sunriver intends to generally follow the outlined investment program for so long as such program is in accordance with our investment objective described above, although Sunriver reserves the right to formulate new approaches to carry out the investment objective in the future.

While Sunriver intends to invest primarily in publicly-traded equities (including both long and short positions), the Firm has broad and flexible investment authority. Accordingly, the Funds' investments may at any time include long or short positions in U.S. or non-U.S. publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, sovereign debt, corporate debt, bonds, notes or other debentures or debt participations, convertible securities, swaps, options (purchased or written), futures contracts, commodities and other derivative instruments, Fund interests and other securities or financial instruments including those of investment companies.

### **Risk of Loss**

The Funds may be deemed to be a speculative investment and are not intended as a complete investment program. Investment in the Funds is suitable only for sophisticated persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment and who meet the conditions set forth in each Fund's Offering Document and subscription agreement. There can be no assurances that Sunriver will achieve its investment objective. The following is a summary of some of the material risks associated with the strategies implemented by Sunriver. This Summary does not attempt to describe all the risks associated with an investment in the Funds or even all risks associated with our strategies. Although no summary can fully describe all of such risks, the Offering Document of each Fund contains a more complete description of the risks associated with an investment in each Fund, and no investment in any Fund can be made without such Offering Document.

**Market Risks.** The profitability of a significant portion of the Adviser's investment program depends to a great extent upon our ability to correctly assess the future course of the price movements of securities and other investments. There can be no assurance that we will be able to accurately predict these price movements. Although we may attempt to mitigate market risk through the use of long and short positions or other methods, there is always some, and occasionally a significant, degree of market risk.

**Limited Operating History.** Sunriver and the Funds have a limited operating history for prospective investors to evaluate prior to making an investment.

**Nature of Investments.** We have broad discretion in making investments for our clients. Investments generally will consist of equity securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that Sunriver will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as

domestic or international economic and political developments, and the prospects of particular companies selected for investment, may significantly affect the results of our clients' activities and the value of their investments. In addition, the value of our clients' portfolios may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that our investment objective will be achieved.

**Lack of Diversification.** Our clients' portfolios generally will not be diversified among a wide range of types of securities or issuers. Further, our clients' portfolios may not be diversified among a wide range of industry, geographic, market capitalization, sector or other areas. Accordingly, our clients' investment portfolios may be subject to concentration risks and more rapid changes in value than would be the case if we were required to maintain a broader diversification among types of securities, issues, investment themes, industry, geographic, market capitalization, sector or other areas. Limited diversity could expose our clients to losses disproportionate to those incurred by the market in general if the areas in which our clients' investments are concentrated are disproportionately adversely affected by price movements in those financial instruments or assets.

**Concentrated Portfolio.** We expect that our clients will have relatively concentrated portfolios. Our objective will be to invest capital in those situations which we believe will offer the greatest risk-adjusted returns. Accordingly, we may cause our clients from time to time to hold a few, relatively large (in relation to capital) securities positions, with the result that a loss in any such position could have a material adverse impact on our clients' capital.

**Short Sales.** Short selling, or the sale of securities not owned, necessarily involves certain additional risks. Such transactions expose the investor to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and in the case of equities, without effective limit. Our clients may be unable to continue to borrow securities previously sold short, or the cost to borrow such securities may significantly increase, which may compel us to cover such position, possibly at a loss. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject securities are receiving similar requests, a "short squeeze" can occur, wherein we might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier. Further, there can be no assurance that securities necessary to cover a short position will be available for purchase.

**High Growth Industry Related Risks.** Sunriver may invest in certain high growth companies. These high-growth companies may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which we cause our clients to invest could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may have inexperienced management, face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many high growth companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which we cause our clients to invest. Conversely, other companies may make infringement claims against a company in which we cause our clients to invest, which could have a material adverse effect on such company.



The markets in which many high growth companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which we cause our clients to invest will successfully penetrate their markets or establish or maintain competitive advantages.

**Small to Medium Cap Stocks.** We may cause our clients to invest in the stocks of companies with small to medium sized market capitalizations. Smaller-capitalization 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 some such securities, an investment in these securities may be more illiquid than that of larger capitalization securities. Moreover, such companies may lack management depth or the ability to generate the funds necessary for growth.

**Special Situations and Distressed Securities.** Sunriver may cause our clients to invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, we may be required to sell the investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss of an entire investment in such companies.

**Non-U.S. Securities.** Investing in securities of non-U.S. governments and non-U.S. companies, which are generally denominated in non-U.S. currencies, and utilizing derivatives on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. Depending on the circumstances, these considerations may include, but are not limited to, changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, greater difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

**Emerging Markets.** Investing in emerging market securities involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) potentially higher rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on an investor's ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of the Funds' portfolio securities and cash with non-U.S. sub-custodians and securities depositories; and (xv) overall greater volatility.

**Currency Risks.** The investments of the Funds that are denominated in non-U.S. currencies 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. From time to time, we may try to hedge these risks by investing in currencies and options thereon, forward currency exchange contracts, or any combination thereof, but there can be no assurance that such strategies will be implemented or, if implemented, will be effective. In addition, we may cause our clients to invest in currencies for speculative purposes.

**Exchange Traded Funds.** ETFs (which are generally registered investment companies) are effectively portfolios of securities. Accordingly, ETFs have many of the same risks as direct investments in common stocks or bonds although the potential lack of liquidity in an ETF could result in its value being more volatile than that of the underlying portfolio of securities. There may also be certain risks to the extent a particular ETF is concentrated on a particular sector, geographic region or asset class, and is not as diversified as the market as a whole. As an investor in an ETF, the Funds would bear their ratable share of the ETF's management fees and expenses in addition to the Funds' own fees and expenses. As a result, Investors, in effect, will be paying duplicate levels of fees and expenses with respect to investments in ETFs.

**Leverage.** While the use of leverage including margin borrowing, structured products or derivative instruments can improve the return on invested capital, such use may also increase the adverse impact to which an investor may be subject. The use of leverage will allow us to cause our clients to make additional investments, thereby increasing our clients' exposure to assets, such that their total assets may be greater than their capital. However, leverage will also magnify the volatility of changes in the value of our clients' portfolios. The effect of our use of leverage on behalf of our clients in a market that moves adversely to their investments could result in substantial losses to our clients, which would be greater than if our clients were not leveraged.

We generally will pledge our clients' securities and other assets to brokers to secure our clients' borrowings. Under certain circumstances, a broker providing financing may demand an increase in the collateral that secures the obligations and if our clients were unable to provide additional collateral, the broker could liquidate assets pledged to satisfy the obligations to the broker. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of our clients' borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on our clients' profitability and may result in losses where leveraged investments fail to earn a return that equals or exceeds the cost of borrowing such funds.

In an unsettled credit environment, we may find it difficult or impossible to obtain leverage for our clients. Since we intend to use leverage as part of our investment strategy, such event may impact the results we are able to achieve for our clients. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Sunriver being forced to unwind positions quickly and at prices below what we deem to be fair value for such positions.

**Options.** The purchase or sale of an option (including an over-the-counter option) involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other asset for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying asset will not change price in the manner expected, so that the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying asset rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

**Derivatives.** Sunriver may utilize both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment strategy. These instruments can be highly volatile and expose investors to a high risk of loss. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also

increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value, incorrect collateral calls or delays in collateral recovery.

**Counterparty Risk.** To the extent we utilize swaps, "synthetic" or derivative instruments, repurchase agreements, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, we cause our clients to take the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

**Hedging Transactions.** Sunriver may utilize financial instruments, both for investment purposes and for risk management purposes. The success of our hedging strategy will be subject to our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of our hedging strategy will also be subject to our ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

While we may cause our clients to enter into hedging transactions to seek to reduce risk, it is not required to do so. In addition, to the extent hedging transactions are used, such transactions may result in a poorer overall performance for our clients than if we had not engaged in any such hedging transactions. For a variety of reasons (e.g., cost and probability of occurrence of risk), Sunriver may not hedge against particular risks or may not establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. An imperfect correlation may prevent our clients from achieving the intended hedge, and failure to hedge or an imperfect hedge may expose our clients to risk of loss.

**Business and Regulatory Risks of Hedge Funds.** The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held within our clients' portfolios, the ability to obtain the leverage we might otherwise obtain for our clients, or the ability to pursue our trading strategies. In addition, securities and futures markets are subject to comprehensive statutes and regulations, including margin requirements. Regulators, self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on our clients could be substantial and adverse.

## **Item 9. Disciplinary Information**

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This Item is inapplicable.

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

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Sunriver GP LLC serves as the general partner to the Domestic Fund and is a shareholder of the Intermediate Fund.

Sunriver and the General Partner are exempt from registration with the Commodity Futures Trading Commission ("CFTC") as commodity pool operators because the Funds are being operated pursuant to an exemption from registration under CFTC Regulation 4.13(a)(3).

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

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Sunriver strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet those standards (and in accordance with SEC Rule 204A-1), the Firm will adopt a Code of Ethics (the “Code”) that is applicable to all employees. Among other things, the Code requires Sunriver and its employees to place the interests of the Funds before their own interests, to not take inappropriate advantage of their positions at the Firm, to act honestly and fairly in all respects in their dealings with the Funds, to comply with all applicable federal securities laws and to engage in personal investing that is in full compliance with the Code.

In addition to the general principles discussed above, the Code sets forth the Firm’s specific personal trading procedures, the policies and procedures governing the giving and receiving of gifts and entertainment, the policies and procedures on political contributions and compliance with “pay-to-play” laws, as well as policies and procedures for pre-clearance of outside activities that may conflict with an employee’s duties at the Firm. Employees are required to certify to their compliance with the Code on a periodic basis. Sunriver will provide a copy of the Code to any investor or prospective investor upon request.

The Code governs personal trading activities by Sunriver’s employees and their immediate family members living in the same household. Certain transactions, such as the purchase or sale of publicly traded equities or options are prohibited, unless an employee is seeking to close a pre-existing position in a personal account that he/she held prior to becoming subject to the Code. In such a case, the employee must receive pre-approval from the CCO. Certain other transactions, such as the purchase or sale of exchange traded funds (ETFs), are allowed with the prior approval of the CCO, while other transactions, such as the purchase or sale of open-end mutual funds or money market funds, are allowed without the approval of the CCO. Employees are required to disclose their reportable securities transactions on a quarterly basis, and their reportable securities holdings upon commencement of employment and on an annual basis thereafter. Even though personal trades by employees are restricted, the risks of personal trading are not entirely eliminated. To the extent Sunriver or its employees invest in the same or related securities that Sunriver recommends to client accounts, conflicts could arise because Sunriver or its employees could trade in a manner that could adversely affect Sunriver’s clients (e.g., place their own trades before or after Fund trades are executed in order to benefit from any related price movements). In addition to affecting Sunriver’s or its employees’ objectivity, these practices may also harm the Funds by adversely affecting the price at which the Funds’ trades are executed. The general guidelines of the code discussed above, as well as the CCO’s consideration of any other relevant factors (including perceived conflicts) and its discretion to decline to approve any transaction, help to address the conflicts that could arise as a result of personal trading requests.

## **Item 12. Brokerage Practices**

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Sunriver anticipates having 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. In selecting a broker-dealer to execute transactions (or series of transactions) for the Funds, Sunriver will seek to obtain the best execution for which may take into account a number of factors which include, but are not limited to, the broker’s quality of execution, willingness to commit capital, confidentiality of trading activity, ongoing reliability, reputation, financial strength and stability, efficiency of execution and error resolution, access to liquidity for certain less liquid products, the overall costs of a trade, the size and type of the transaction, the difficulty of execution and the ability to handle difficult trades, the operational facilities of the brokers and/or dealers involved (including back office efficiency), and the receipt of brokerage and research services.

In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer’s compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost, but rather may consider all

relevant factors, including those specifically addressed above, in selecting a broker or dealer and agreeing to a particular commission rate. If the Firm determines, in good faith, that the commissions charged by a broker are reasonable in relation to the value of the brokerage and research products or services provided, it may cause the Funds to pay commissions to such broker in an amount greater than the amount another broker might charge. Sunriver may have an incentive to select a broker based on Sunriver's interest in receiving research products or services rather than on the Funds' interests in receiving the most favorable execution.

## **Soft Dollars**

Sunriver anticipates that the Firm may enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser receives research or other products or services other than execution from a broker or a third party in connection with client securities transactions. Soft dollar arrangements could raise a conflict of interest in that such arrangements would allow Sunriver to pay with Fund commissions expenses that would otherwise be borne by Sunriver. If Sunriver uses brokerage commissions (or markups or markdowns) to obtain research or other products or services, it would receive a benefit because it would not have to produce or pay for the research, products or services. Sunriver may cause the Funds to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for the Funds.

Sunriver will limit the use of "soft dollars" to obtain research and brokerage services that fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Under this provision, research services may include, among other things, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations. Sunriver's Brokerage and Soft Dollar Committee will meet periodically to review and evaluate our soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker.

Research and brokerage services obtained through such soft dollar arrangements may be used to service all Funds and not exclusively in connection with the management of the Funds that generated the particular soft dollar credits. If a product or service obtained is used, in part, for Section 28(e) eligible purposes and, in part, for other purposes, Sunriver will make a reasonable allocation of the cost to ensure that only the eligible portion of the product or service is paid for with soft dollars.

## **Order Aggregation**

At inception, Sunriver anticipates conducting all trades in the Master Fund. If Sunriver provides advisory services to multiple fund structures or client accounts in the future, the policy will be to generally aggregate orders for the same security unless aggregation is not consistent with our duty to seek best execution or the terms of the investment guidelines and restrictions of each account for which trades are being aggregated. Aggregation opportunities would generally arise when more than one account is capable of purchasing or selling a particular security based on investment objectives, available cash and

other factors. When aggregating trades, no account will be favored over any other account. Sunriver anticipates that, where possible, each account that participates in an aggregated order will participate at the average price for all of Sunriver's transactions in that security on a given business day, with transaction costs shared pro rata based on each account's participation in the transaction.

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**Item 13. Review of Accounts**

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The portfolios of the Funds are expected to be reviewed on a continual basis by Sunriver's investment team to assure conformity with investment objectives and guidelines. Sunriver anticipates engaging in active management for the Funds and accordingly will review the transactions, positions and cash balances on a daily basis.

Sunriver will engage an independent administrator of the Funds to, among other things, maintain the books and records of the funds and provide certain back office services to the funds, such as reconciling the Funds' cash and trade activity and securities positions with that of the Funds' prime brokers and custodians. Sunriver will review the work performed by the administrator on an ongoing basis and confirm the accuracy of the net asset values determined by the administrator.

The administrator will send monthly account statements to all Investors in the Funds. On an annual basis, Investors will receive audited financial statements for the Fund in which they are invested, and if applicable, a Schedule K-1. In addition, the Firm anticipates distributing a quarterly update letter, as well as periodic estimated performance email updates.

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

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Sunriver does not anticipate compensating any person who is not a supervised person, including third-party solicitors, for Investor or client referrals.

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**Item 15. Custody**

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For purposes of Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), Sunriver anticipates that it will be deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian will not be required to deliver quarterly account statements to the Funds or their respective Investors as long as (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) Sunriver delivers such annual audited financial statements to Investors within 120 days after the end of each Fund's fiscal year.

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**Item 16. Investment Discretion**

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As noted in Item 4, Sunriver expects to have full investment discretionary authority with respect to investment decisions on behalf of the relevant Funds pursuant to investment management agreements with, or the governing documents of, each Fund. Investment decisions for the Funds are made in accordance with the investment objectives and guidelines set forth in each Fund's Offering Document. As the portfolio manager, Mr. Cook has overall responsibility for investment decisions on behalf of the Funds.

**Trade Errors.** Despite the professionalism and care with which the Firm's personnel are expected to operate, occasional trading errors are unavoidable. Thus, if it appears that a trade error has occurred, Sunriver will review the relevant facts and circumstances to determine an appropriate course of action. Sunriver's error correction procedure is to ensure that the Funds are treated fairly and that errors to be corrected will be corrected as quickly as reasonably practicable following discovery, and in such a manner as to minimize any loss to the Funds. Generally, Sunriver will make the applicable Funds whole for trade errors that would not be covered by such Fund in accordance with its indemnification of Sunriver under the applicable investment management agreement and/or governing documents. This means that

the Funds, subject to applicable law, generally bear the loss resulting from trade errors, unless Sunriver has determined, in good faith, that the error results from Sunriver's gross negligence or willful misconduct. Losses resulting from trade errors to be reimbursed, if any, are only the net losses associated with the errant trade.

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**Item 17. Voting Client Securities**

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In compliance with Rule 206(4)-6 under the Advisers Act, the Firm will adopt proxy voting policies and procedures that are designed to ensure that in cases where Sunriver votes proxies with respect to the Funds' securities, such proxies are voted in the best interests of the Funds.

In voting proxies, Sunriver expects to utilize the services of a third-party proxy agent (the "Proxy Service") to monitor proxy votes pertaining to portfolio securities, provide research and recommendations on such votes, cast such votes in accordance with the Firm's instructions, and maintain records with respect to such votes. Sunriver expects to principally rely on the proxy voting recommendations of the Proxy Service when voting proxies; however, the Firm is not bound by these recommendations and may vote proxies contrary to the Proxy Service's recommendations when it deems such deviation to be in the best interests of the Funds.

If Sunriver determines that a material conflict of interest exists between the interests of the Funds and the interests of the Firm, when it comes to voting proxies, Sunriver will vote in accordance with the Proxy Service's recommendation.

Investors may request a copy of Sunriver's proxy voting policies, as well as relevant proxy voting records, by contacting the Firm at the address or telephone number listed on the first page of this document.

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**Item 18. Financial Information**

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This Item is not applicable.