

EVA Capital Management LP

Part 2A of Form ADV Brochure

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September 2016

This Brochure provides information about the qualifications and business practices of EVA Capital Management LP (“EVA Capital”). If you have any questions about the contents of this Brochure, please contact us at ken.weiller@evacap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about EVA Capital is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

EVA Capital has reached the regulatory assets under management required for SEC registration. The firm has also started to advise separately managed accounts.

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Item 4: Advisory Business

A. General Description of Advisory Firm.

EVA Capital, an investment advisory firm organized in 2015 under the laws of the State of Delaware, will provide discretionary investment advisory services to private investment funds (as defined below). EVA Capital is headquartered in New York with an office in Texas.

EVA Capital is principally owned by Mr. Nick Lobaccaro.

B. Description of Advisory Services.

EVA Capital expects to initially manage one series of funds comprised of feeder funds investing through a master-feeder structure, and includes: EVA Capital Onshore Fund LP, a Delaware limited partnership, EVA Capital Offshore Fund Ltd, a Cayman Islands exempted limited company (each a “Feeder Fund”) and EVA Capital Master Fund LP (the “Master Fund”), a Cayman Island exempted limited partnership (each Feeder Fund and the Master Fund, a “Fund” and together, the “Funds”). EVA Capital GP LLC, an affiliate of EVA Capital will be the general partner of EVA Capital Onshore Fund LP and EVA Capital Master Fund LP (the “General Partner”). EVA Capital will provide investment management services to the Funds.¹ EVA Capital also provides investment management services to a separately managed account and may advise more separately managed accounts in the future.

EVA Capital uses a proprietary algorithm to pursue primarily a long/short strategy with a market neutral exposure.

Please see Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) below for a more detailed description of the investment strategies pursued and types of investments made by EVA Capital. EVA Capital’s investment strategies are fully described in the offering documents for the Funds.

The descriptions set forth in this Brochure of specific advisory services that EVA Capital offers to Funds, and investment strategies pursued and investments made by EVA Capital on behalf of its Funds, should not be understood to limit in any way EVA Capital’s investment activities. EVA Capital may offer any advisory services, engage in any investment strategy and make any investment, even if not described in this Brochure, that EVA Capital considers appropriate, subject to each Fund’s investment objectives and guidelines. Not all of the strategies described in this Brochure may be used at the same time or in the same proportions, and EVA Capital may add, suspend, eliminate or modify investment strategies at its discretion. The investment strategies EVA Capital pursues are speculative and entail substantial risks. Investors in the Funds should be

¹ EVA Capital and its affiliate, the General Partner are together filing a single Form ADV in reliance on the SEC staff’s guidance in a no-action letter to the American Bar Association (January, 18, 2012).

prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Fund will be achieved.

C. Availability of Tailored Services for the Funds and Fund Investors, and Tailored Services for Managed Account Investors

As mentioned above, EVA Capital's investment advice is subject to the investment objective and guidelines of the Funds as set forth in their offering documents and/or constituent documents as applicable. EVA Capital does not tailor its advisory services to investors and does not accept Fund investor-imposed restrictions. However, certain investors may entered into side letters and be granted more favorable rights not afforded other investors such as reduced rates of management and/or performance fees to be earned by EVA Capital, and preferential transparency and/or reporting rights.

EVA Capital tailors its services to the requirements of the investors in its managed accounts.

D. Wrap Fee Programs.

EVA Capital does not participate in wrap fee arrangements.

E. Assets under Management.

EVA Capital manages \$39,318,681 on a discretionary basis. The firm does not manage any assets on a non-discretionary basis.

Item 5: Fees and Compensation

A. Advisory Fees and Compensation.

EVA Capital or its affiliate the General Partner typically receive compensation based on a percentage of assets under management (the "Management Fee") and a percentage of the performance achieved (the "Performance Allocation"). EVA Capital offers multiple classes of interests or shares in the Funds that each charges a different Management Fee and Performance Allocation. EVA Capital receives a Management Fee payable, in advance, at the beginning of each calendar quarter at a rate of between 0.25% ("1.0% per annum) and 0.5% (2.0% per annum) of the net asset value of assets under its management depending on the applicable class.

In the event that an investor is permitted or required to withdraw or redeem completely or partially from the Funds or transfer its interests or shares in the Funds other than at the end of the fiscal quarter, that investor will receive back a prorata portion of the Management Fee based on the number of days remaining in such fiscal quarter.

With respect to Performance Allocation, the General Partner receives allocations equal to between 10% and 20% of the net capital appreciation attributable to the Master Fund for the preceding fiscal year. In calculating the annual net capital appreciation of the Master Fund, prior losses are carried forward and must be made up before performance-based allocations are made.

Performance-based allocations are assessed at the end of the fiscal year of the Master Fund or upon full or partial withdrawal of an investor's capital.

In the event that an investor is permitted or required to withdraw or redeem completely or partially from the Funds or transfer its interests or shares in the Funds other than at the end of the fiscal year, the Performance Allocation with respect to such investor for such year will be determined, at the time of withdrawal, with respect to the portion being withdrawn or redeemed or transferred through the applicable withdrawal date.

In general, fees are not negotiable although EVA Capital has the discretion to permit certain investors to invest in the Funds on different fee terms. In addition, EVA Capital, or the General Partner have the discretion to waive all or a portion of the Management Fee and/or the Performance Allocation. In addition, affiliates, members, directors, shareholders partners and employees of EVA Capital, immediate family members of such persons, and trusts or other entities for such persons' benefit will not be subject respect to management fees and the performance-based allocation. Further, EVA Capital, the Funds or the General Partner may enter into side letters or similar written agreements with investors which have the effect of establishing rights under, or altering or supplementing the terms of, the relevant governing documents including the Management Fee or Performance Allocation.

Managed accounts' fees are individually negotiated with the investors in the managed accounts.

B. Payment of Fees and Incentive Compensation.

EVA Capital will deduct fees from the assets of investors invested in the Funds. Investors in the Fund will not have the ability to choose to be billed directly for fees incurred.

Managed Accounts' fees are paid based on invoices or as determined by the investor in accordance with the respective advisory agreements.

C. Expenses.

In addition to the fees and compensation described above. Each Feeder Fund will bear its own expenses and its *pro rata* share of the Master Fund's expenses, including, without limitation, investment expenses (*e.g.*, expenses that, in EVA Capital's discretion, are related to the investment of the Master Fund's assets, whether or not such investments are consummated, such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the Master Fund's portfolio (including, without limitation, third-party software licensing, implementation, data management and recovery services and custom development costs), researching investments, evaluating and managing risk, facilitating valuations, facilitating accounting functions, facilitating compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations), facilitating and managing the order execution of securities or otherwise managing the Master Fund or any trading subsidiary, portfolio management systems, risk management systems and order management systems; research and market data (including, without limitation, any computer hardware and connectivity hardware (*e.g.*, telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); administrative expenses (including, without limitation, fees and expenses of the Funds' administrator); legal expenses; external accounting and valuation expenses; audit and tax preparation expenses; costs related to errors and omissions insurance and directors and officers insurance for the General Partner, EVA Capital, the Master Fund Advisory Board and the members, partners, officers, employees and agents of any of them; costs of printing and mailing reports and notices; entity-level taxes; regulatory expenses (including, without limitation, expenses related to preparing and making regulatory and compliance filings associated with the Funds and their investment activities, such as filing fees and costs of software, systems and consultants utilized in connection with the preparation and making of such filings); organizational expenses; expenses incurred in connection with the offering and sale of the Interests and other similar expenses related to the Funds (other than any fees payable to any placement agent, which will be paid by EVA Capital or its affiliates); fees of members of any advisory or similar committee of the Funds (including the Master Fund Advisory Board); indemnification expenses; and extraordinary expenses. Generally, Fund expenses, other than the Management Fee and any expenses which the General Partner determines in its sole discretion should be allocated to a particular investor or investors will be charged to all investor's on a *pro rata* basis.

Managed accounts share *pro rata* all expenses that are not specifically related to the operations of the Funds (such fund-specific expenses are, for instance, organizational expenses, legal, administrative and audit expenses and fund-specific trading expenses)

See Item 12 for more detail on EVA Capital's brokerage practices.

Existing and prospective investors and Funds should refer to their respective offering memorandum or constituent documents, as applicable, for detailed information with respect to the fees and expenses associated with the Funds. The information contained here is a summary only and is qualified in its entirety by such documents.

D. Prepayment of Fees.

As explained above, the Management Fee and Performance Allocation payable by investors in the Funds are generally prorated and subject to adjustment for any partial periods.

E. Additional Compensation and Conflicts of Interest.

Neither EVA Capital nor its officers, employees, or other affiliates accept compensation for the sale of securities or other investment products.

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

As described in Item 5 above, EVA Capital (or the General Partner) expects to receive its performance-based allocation from the Master Fund. The receipt of a performance-based allocation may create an incentive for EVA Capital to make investments that are riskier or more speculative than would be the case if such compensation arrangements were not in place.

EVA Capital also currently manages a separately managed account and may in the future manage more managed accounts. EVA Capital has adopted an allocation methodology that ensures that the Master Fund and the managed accounts are treated equitably. To avoid conflicts, trades, although not necessarily placed on the same platform, are typically placed in equal proportions per AUM, and traded in prompt sequence.

A description of the services offered, and corresponding fees charged, by EVA Capital will be provided in the applicable offering documents or investment management agreements of the Funds or the investment advisory agreements of the managed accounts.

Item 7: Types of Clients

As described in Item 4 above, EVA Capital expects to provide investment advice to the Funds., EVA Capital also provides advice to a separately managed account. The Funds and the investors in the separately managed accounts are EVA Capital's clients. Investors in the Funds are not

considered clients of EVA Capital. Such investors may include pension plans, charitable foundations, endowments, fund of funds, sovereign wealth funds, private funds, investment companies, trusts, high net worth individuals and other entities and institutions. Investors in the Funds must meet certain suitability requirements as set forth in each Fund's offering documents. Investors in the managed accounts include other investment advisers.

The minimum initial investment in the Fund will be \$5,000,000 to \$250,000 depending on the class of interests or shares offered to investors. The minimum additional contribution is \$100,000. These requirements may be waived or modified at the discretion of EVA Capital or its affiliates.

There is no preset minimum investment amount for the managed accounts. These accounts are individually negotiated.

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

EVA Capital's principal investment objective is to achieve superior capital appreciation for the Funds. EVA Capital expects to invest primarily in long/short equities; but it may invest in other instruments as well. Generally, there are no limitations on the markets or types of instruments in which the Funds may invest.

To select its portfolio, EVA Capital applies a proprietary analytic methodology which uses a unique data set of financial information. This data set is output from a proprietary accounting engine that transforms financial statements produced through the application of generally accepted accounting principles (GAAP) into financial statements based on the principles of economic profit analysis.

EVA Capital believes that stock prices are far more volatile than their underlying fundamentals would dictate and that a disciplined, systematic approach, devoid of human biases can create an investment process that is capable of consistently producing alpha over time. EVA Capital believes that, over time, companies that have positive economic profits, whereby the investments made by the company earn returns above their costs of capital, will outperform companies with investment returns lower than their costs of capital. Companies in this latter category are deemed to generate negative economic profits and can be considered destroyers of shareholder value.

Principles of economic profit analysis underpin the investment thesis of EVA Capital. The building blocks for measurement of economic profits (as opposed to accounting profits) are a company's net operating profits after tax, corrected for GAAP accounting distortions, and a capital charge calculated and applied to hold management accountable for the full cost of the capital supplied by lenders and shareholders used to support business operations. The capital charge is intended to discourage non-productive investment.

Accounting adjustments are central to the calculation of economic profits. GAAP principles are frequently at odds with economic reality and can make valid comparisons across companies difficult. Economic profit principles differ from GAAP principles. To calculate economic profits accurately EVA Capital believes it is necessary to i) take a forensic view of the balance sheet and

income statement of each company to identify the potential distortions inherent within GAAP financial statement representations and ii) make a series of fundamental corrective adjustments to remove these distortions. The process is designed to yield undistorted balance sheets and income statements on which the economic profit calculation can be based.

EVA Capital employs a systematic analytic process to evaluate the intrinsic (*i.e.* “fair”) value of companies based on the levels, trends and volatilities of economic profitability and the vulnerability of each company’s economic profitability to business cycles. History supports the investment thesis that, on average, over time, stocks with high levels of intrinsic value relative to their market valuations tend to outperform those with low levels of intrinsic value and high market valuations. EVA Capital believes that a strategy that systematically buys companies with market prices materially below their intrinsic values and systematically sells companies with market prices materially above their intrinsic values is capable of consistently producing alpha over time. Additional factors EVA Capital believes are capable of producing alpha, at times, and which the EVA Capital will also consider in making its investment decisions, are low volatility of earnings, positive earnings and stock price momentum.

Methods of Analysis

EVA Capital’s systematic process of selecting equities includes the following steps:

- Automated Transformation of GAAP Financial Statements. EVA Capital believes that certain GAAP rules make it challenging to assess the “true” economic reality of a company simply by assessing its published financial statements. EVA Capital believes that better data supports better investment analysis, and as such, seeks to remove what it perceives to be distortions within the GAAP financial statements by systematic transformation of the GAAP financial statement data of each company into financial statement data based on the principles of economic profit analysis. This automated transformation process may incorporate data from the financial footnotes that accompany the GAAP financial statements. EVA Capital may source inputs for this economic profits database directly from public filings and/or from third party data providers. The transformation process is performed daily for each company in the coverage universe and is captured within a unique proprietary database that contains current and historical economic profitability information for each company in the coverage universe. The database of financial information maintained by EVA Dimensions LLC is one example of such a proprietary database. EVA Capital currently holds a perpetual license, which is exclusive within the domain of systematic and quantitative investment management, to use proprietary economic profit data provided by EVA Dimensions LLC. EVA Dimensions LLC uses a proprietary algorithm for calculation of a variant of economic profit analysis called economic value added.
- Systematic Data Analysis. EVA Capital then applies its own proprietary, rules-based stock valuation model, which is grounded in financial theory and fundamental economic principles, to the converted financial statements. EVA Capital systematically employs a ranking model to assess the intrinsic value of each company in the coverage universe and identify the most mispriced companies

by comparing intrinsic value to actual market value. The stock ranking model incorporates over twenty-six factors and favors companies with desirable fundamentals such as high economic profitability, positive earnings momentum, stable margins, a strong balance sheet and low valuation.

- Rules-Based Portfolio Construction: EVA Capital identifies candidates for long and short positions based on the degree of market mispricing determined by the proprietary stock valuation model. Portfolio construction rules seek to source long positions from the top fifteen (15%) of securities as ranked by degree of mispricing and source short positions from the bottom twenty (20%) of securities as ranked by degree of mispricing.
- Systematic Risk Management. Risk management guidelines, applied systematically, seek to maintain a portfolio that is diverse, beta neutral and sector- and industry-group neutral. EVA Capital seeks to manage sector and industry group long and short exposures to be approximately equivalent. EVA Capital seeks to adjust its portfolio holdings in accordance with risk management rules to maintain exposure levels, manage risk and reposition the portfolio to reflect ranking changes resulting from earnings releases and other new information related to particular companies on a day-to-day basis.

Notwithstanding the advantages of minimal human bias that are achieved by using EVA Capital's proprietary systematic investment strategy, valuation framework and trading techniques, EVA Capital monitors the operation of the systematic investment process and reserves the right to modify any or all parameters at its sole discretion. Portfolio construction rules and risk management guidelines are subject to change without advance notice to investors. There is no guarantee that any proposed targets will be met or that any stated metrics will be adhered to.

Investors should be aware that investing in securities involves the risk of loss of part or all of invested capital which investors should prepare to bear.

Investors in the managed accounts bear the same risks described below for the Master Fund because the managed accounts pursue the same strategies.

Material, Significant or Unusual Risks Relating to Investment Strategies.

The assets of the Master Fund will be primarily invested, directly or indirectly, on margin or otherwise, in any stocks included in the Wilshire 5000 index that have sufficient market liquidity to be compatible with the investment strategy of the EVA Capital. Certain assets of the Master Fund may also be invested, directly or indirectly, on margin or otherwise, in any other interests commonly referred to as securities, other financial instruments issued by, entered into by or referenced to U.S. or non-U.S. entities and other assets, including, without limitation, capital stock; shares of beneficial interest; partnership interests and similar financial instruments; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; interest rate, currency, equity and other derivative products, including, without limitation, options and agreements relating to or securing such transactions; repurchase and reverse repurchase agreements; mutual funds, exchange-traded funds and similar financial instruments; money

market funds; obligations of the United States or any non-U.S. government, or any country, state, governmental agency or political subdivision thereof; commercial paper; certificates of deposit; bankers' acceptances (all such items being called herein; in each case, of any person, whether or not publicly traded or readily marketable). All these instruments bear significant risks.

Risks related to specific strategies and types of investments

General Economic and Market Conditions

The success of the Master Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Master Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the Master Fund's investments. Volatility or illiquidity could impair the Master Fund's profitability or result in losses. The Master Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Long/Short

The success of the Master Fund's long/short investment strategy depends upon the EVA Capital's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of the Master Fund's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Master Fund's positions were to fail to converge toward, or were to diverge further from values expected by the EVA Capital, the Master Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Master Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with the EVA Capital's long/short strategies may become outdated and inaccurate as market conditions change.

Short Selling

The success of the Master Fund's short selling investment strategy depends upon the EVA Capital's ability to identify and sell short securities that are overvalued. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying Security could theoretically increase without limit, thus increasing the cost to the Master Fund of buying those securities to cover the short position. There can be no assurance that the Master Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Master Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing Securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no

floating supply of an underlying instrument with which to cover or close out a short position and the Master Fund may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Master Fund secures a “good borrow” of the Security sold short at the time of execution, the lending institution may recall the lent Security at any time, thereby forcing the Master Fund to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the Master Fund.

Long-Term

The success of the Master Fund’s long-term investment strategy depends upon the EVA Capital’s ability to (i) consistently employ its systematic analytic process to evaluate the intrinsic (*i.e.* “fair”) value of Securities; (ii) consistently identify and purchase securities that are undervalued; (iii) consistently identify and sell securities that are overvalued; and (iv) identify holding periods for all such investments so as to on average, over time, generate high risk-adjusted returns regardless of the direction or trend in equity markets. In pursuing any long-term strategy, the Master Fund may forego value in the short-term or temporary investments in order to be able to avail the Master Fund of additional and/or longer-term opportunities in the future. Consequently, the Master Fund may not capture maximum available value in the short-term, which may be disadvantageous, for example, for Investors who withdraw all or a portion of their capital accounts before such long-term value may be realized by the Master Fund.

Relative Value and Market-Neutral

The success of the Master Fund’s relative value investment strategy (including its market-neutral strategy) depends upon the effectiveness of the systematic processes that the EVA Capital will use to identify and exploit perceived inefficiencies in the pricing of Securities, financial products, or markets. Identification and exploitation of such inefficiencies involve uncertainty. There can be no assurance that the Eva Capital will be able to locate investment opportunities or to exploit pricing inefficiencies in the securities markets. Mispricings, even if correctly identified, may not be corrected by the market, at least within a timeframe over which it is feasible for the EVA Capital to maintain a position. Even pure arbitrage positions can result in significant losses if the EVA Capital is not able to maintain both sides of the position until expiration/maturity. A reduction in the pricing inefficiency of the markets in which the EVA Capital seeks to invest will reduce the scope for the Master Fund’s investment strategies. In the event that the perceived mispricings underlying the Master Fund’s positions were to fail to converge toward, or were to diverge further from, relationships expected by the EVA Capital, the Master Fund may incur losses. Even if the Master Fund’s relative value investment strategy is successful, it may result in high portfolio turnover and, consequently, high transaction costs.

Leverage and Borrowing

Leverage for Investment Purposes

The use of leverage will allow the Master Fund to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital.

However, leverage will also magnify the volatility of changes in the value of the Master Fund's portfolio. The effect of the use of leverage by the Master Fund in a market that moves adversely to its investments could result in substantial losses to the Master Fund, which would be greater than if the Master Fund were not leveraged.

Borrowing for Cash Management Purposes

The Master Fund has the authority to borrow for cash management purposes, such as to satisfy withdrawal requests. The rates at and terms on which the Master Fund can borrow will affect the operating results of the Master Fund.

Collateral

The instruments and borrowings utilized by the Master Fund to leverage investments may be collateralized by all or a portion of the Master Fund's portfolio. Accordingly, the Master Fund may pledge its Securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the Securities pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call", pursuant to which the Master Fund must either deposit additional funds or Securities with the broker or suffer mandatory liquidation of the pledged Securities to compensate for the decline in value. The banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Master Fund may have similar rights. There can be no assurance that the Master Fund will be able to secure or maintain adequate financing.

Costs

Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Master Fund's portfolio.

Diversification and Concentration

EVA Capital intends to select investments that are concentrated in a limited number or types of Securities, namely U.S. listed equity securities. Although EVA Capital intends to avoid concentration in respect of issuers, sectors, industries and geographies, it is possible that the Master Fund's portfolio may become materially concentrated in Securities related to a limited number of issuers, industries, sectors, strategies, countries or geographic regions. Such concentration could expose the Master Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

Lack of Control

The Master Fund may invest in debt instruments and equity securities of companies that it does not control, which the Master Fund may acquire through market transactions or through purchases of securities directly from the issuer or other shareholders. Such securities will be subject to the risk that the issuer may make business, financial or management decisions with which the Master Fund does not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve the Master Fund's interests.

Hedging Transactions

The Master Fund may utilize certain types of securities, such as futures and ETFs, for risk management purposes in order to: (i) protect against possible changes in the market value of the Master Fund's investment portfolio resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Master Fund's unrealized gains in the value of its investment portfolio; (iii) facilitate the sale of any securities; (iv) enhance or preserve returns, spreads or gains on any security in the Master Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Master Fund's Securities; (vii) protect against any increase in the price of any Securities the Master Fund anticipates purchasing at a later date; or (viii) act for any other reason that the EVA Capital deems appropriate. The Master Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. EVA Capital may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Master Fund than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Derivative Instruments

Certain swaps, options, futures and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, credit risk, legal risk and operations risk. The regulatory and tax environment for derivative instruments in which the Master Fund may participate is evolving, and changes in the regulation or taxation of such securities may have a material adverse effect on the Master Fund.

Call Options

The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying Security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The Securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options

The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the

exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index or Index Options

The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether the Master Fund will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

Equity Securities Generally

The value of equity securities of public listed companies and equity derivatives, including stock options, generally varies with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from EVA Capital's expectations or if equity markets generally move in a single direction and the Master Fund has not hedged against such a general move.

Exchange-Traded Funds

Exchange-Traded Funds are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying Securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying Securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the Master Fund's expenses (*e.g.*, Management Fees and operating expenses), Investors may also indirectly bear similar expenses of an ETF.

Undervalued Securities

The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Master Fund's investments may not adequately compensate for the business and financial risks assumed.

Discretion of EVA Capital; New Strategies and Techniques

While EVA Capital will generally seek to employ the representative investment strategies and techniques discussed herein, EVA Capital has considerable discretion in the types of securities the Master Fund may trade and has the right to modify the investment strategies and techniques of the

Master Fund without the consent of the investors. New and/or evolving investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Master Fund. In addition, any new investment strategy or technique developed by the Master Fund may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Master Fund.

Risks Relating to Methods of Analysis

Algorithmic Model Risk and Risk Management Danger

There can be no assurance that the models used by EVA Capital will continue to be viable. The use of a model that is not viable or not completely viable could, at any time, have a material adverse effect on the performance of the Master Fund. There can be no assurance that the Master Fund will achieve its investment objectives or that the models (even if completely or partially viable) will continue to further or ultimately be capable of furthering the Master Fund's investment objectives.

Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be subject to misinterpretation. In the complex environment, in which the EVA Capital operates, effective risk management depends upon many factors, not all of which may be properly identified, and effective assessment, analysis, process creation, control or treatment of risks could be difficult to implement. For the sake of clarity and without limitation, though losses arising from quantitative model risks could adversely affect the Master Fund's performance, such losses would likely not constitute reimbursable trade errors under the Eva Capital's policies and agreements.

Under a specific set of predefined scenarios, EVA Capital may, at times, manually override or shut down the operations of a systematic or algorithmic model. This would generally be done in an effort to mitigate the damage from a deteriorating or malfunctioning model or a model that is reacting negatively to unforeseen market conditions. Such an override or intervention could result in greater losses than would be the case if there had been no intervention and/or could result in the model being overridden or inactive at a time when the model would have achieved gains for the portfolio.

Obsolescence Risk

The Master Fund is unlikely to be successful unless the assumptions underlying the models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and the Eva Capital does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result. The EVA Capital will continue to test, evaluate and add new models, as a result of which the existing models may be modified from time to time. Any

modification of the models or strategies will not be subject to any requirement that Investors receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification on the Master Fund's performance. Losses arising from obsolescence risks could adversely affect the Master Fund's performance, such losses would likely not constitute reimbursable trade errors under the EVA Capital's policies or investment management agreement with the Master Fund.

Crowding/Convergence

There is significant competition among quantitatively- and algorithmically-focused managers and the ability of the EVA Capital to deliver returns that have a low correlation with the broader global markets and other hedge funds is dependent on its ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the EVA Capital is not able to develop sufficiently differentiated models, the investors' investment objectives may not be met, irrespective of whether the models are profitable in an absolute sense. In addition, to the extent that the EVA Capital's models come to resemble those employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect the Master Fund is increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace. Losses arising from crowding/convergence risks could adversely affect the Master Fund's performance, such losses would likely not constitute reimbursable trade errors under the EVA Capital's policies or investment management agreement with the Master Fund.

Risk of Programming and Modeling Errors

The research and modeling process engaged in by the EVA Capital is extremely complex and involves financial, economic, econometric and statistical theories, research and modeling; the results of that process must then be translated into computer code. Although the EVA Capital seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raise the chances that the finished model may contain an error. For the sake of clarity and without limitation, though losses arising from programming and modeling errors could adversely affect the Master Fund's performance, such losses would likely not constitute reimbursable trade errors under the EVA Capital's policies or the investment management agreement with the Master Fund.

Involuntary Disclosure Risk

The ability of the EVA Capital to achieve its investment goals is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models and Data are largely protected by the EVA Capital through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer the EVA Capital's models, and thereby impair the relative or absolute performance of the Master Fund.

Proprietary Trading Methods

Because the trading methods employed by the EVA Capital on behalf of the Master Fund are proprietary to the EVA Capital, an investor will not be able to determine any details of such methods or whether they are being followed.

Model and Data Risk

EVA Capital will rely heavily on quantitative and systematic models (both proprietary models developed by the EVA Capital, and those supplied by third parties) and information and data supplied by third parties. Models and Data can be used to construct sets of transactions and investments, to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of the Master Fund), to provide risk management insights, and to assist in hedging the Master Fund's exposure.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the Master Fund to potential risks. For example, by relying on Models and Data, the EVA Capital may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful.

All models rely on correct market data inputs. Because EVA Capital's models are usually constructed based on, or employ, historical or current market data supplied by third parties, the success of relying on Models and Data may depend heavily on the accuracy and reliability of the supplied data, which can contain errors.

For the sake of clarity and without limitation, though Model and Data risks could adversely affect the Master Fund's performance, losses that arise as a result of the use of Models and Data likely would not constitute reimbursable trade errors under the EVA Capital's policies or the investment management agreement with the Master Fund.

Correlation Risk

The Master Fund may be exposed to correlated risks. These occur when funds and other investors hold similar positions and employ similar strategies, resulting in intensified risks leading to potential cascading loss in times of market stress.

Quantitative traders can be particularly susceptible to this type of correlation risk as a result of convergence in their automated trading algorithms and positions held. High leverage and hedging techniques can further magnify the effects of correlation risk.

Risks Relating to the Operations and Investment Activities of the Master Fund

Systems and Operational Risks Generally

The Master Fund depends on EVA Capital to develop and implement appropriate systems for the Master Fund's activities. The Master Fund relies heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across

numerous and diverse markets and to evaluate certain Securities, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to oversight of the Master Fund's activities. In addition, the Master Fund relies on information systems to store sensitive information about the Master Fund, EVA Capital, their affiliates and the Investors. Certain of the Master Fund's and EVA Capital's activities will be dependent upon systems operated by third parties, including prime brokers, the Administrator, market counterparties and other service providers, and EVA Capital may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by EVA Capital, prime brokers, the Administrator, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Master Fund's operations may cause the Master Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Funds and the investors' investments therein.

Cybersecurity Risk

As part of its business, EVA Capital processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Master Fund and personally identifiable information of the Investors. Similarly, service providers of EVA Capital, the Funds or the Master Fund, especially the Administrator, may process, store and transmit such information. EVA Capital has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to EVA Capital may be susceptible to compromise, leading to a breach of EVA Capital's network. EVA Capital's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by EVA Capital to the Investors may also be susceptible to compromise. Breach of EVA Capital's information systems may cause information relating to the transactions of the Master Fund and personally identifiable information of the Investors to be lost or improperly accessed, used or disclosed.

The service providers of EVA Capital, the Funds and the Master Fund are subject to the same electronic information security threats as EVA Capital. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Master Fund and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of EVA Capital's or the Master Fund's proprietary information may cause EVA Capital or the Master Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the investors' investments therein.

Reliance on Systematic Trading Systems

EVA Capital will allocate the Master Fund's capital to investment strategies that are based on systematic trading systems. Although EVA Capital retains all discretion with respect to the manner in which a trading system's output is interpreted and applied, there can be no assurance that EVA Capital's trading systems and its interpretation and application of the trading systems' output will take into account all relevant factors.

Use of Systems

EVA Capital relies extensively on the use of computer systems, hardware, software and telecommunications equipment. EVA Capital makes use of its own models as well as systems that are publicly available or provided by third parties. Accordingly, the Master Fund is exposed to the risk that computer hardware, software, electronic equipment and other services used by EVA Capital may cease to be available, for example, due to the insolvency of the provider or the discontinuation of services or software updates. In such circumstances, EVA Capital would seek to obtain equivalent hardware, software and services from an alternative supplier.

System Failure

As EVA Capital makes extensive use of computer hardware, systems and software, the Master Fund is exposed to risks caused by failures of information technology infrastructure and data. In addition, outright failure or a partial impairment (whether due to external situations or internal file corruption) of the underlying hardware, operating system, software or network may leave the Master Fund unable to trade either generally or in certain of its strategies, and this may expose it to risk should the outage coincide with turbulent market conditions. To mitigate this risk, backup and failover plans will be put in place by EVA Capital. Nevertheless, in the worst case, EVA Capital may have to liquidate the Master Fund's entire portfolio as the only safe way to proceed should a crippling system outage occur.

Data Feed Failure

EVA Capital's models utilize data feeds from a number of sources. If these data feeds were to be corrupted, compromised, or discontinued in any manner, or not delivered or accessible in a timely manner, the models may not be properly formulated. This failure to receive the data feeds or receive the data feeds in a timely manner may leave the Master Fund unable to trade or may result in trades that are not aligned with an algorithm's goal, and this may expose the Master Fund to risk of loss or loss of opportunities, which could be material, in particular if the loss of the data feed coincides with turbulent market conditions.

Risk of Programming Implementation Error or Logical Error

Given the reliance of EVA Capital upon the operation of its models and other software trading and analysis systems, it follows that the Master Fund is therefore at risk of errors of implementation (colloquially known as "bugs") and errors of design that may exist or arise in the software or models, and which may cause inappropriate or aberrant behavior under certain or all market conditions. While reasonable steps have been taken to ensure that the software is adequate in design and free from manifest bugs, formal proof of bug-free code has not been undertaken, nor can the underlying logical and/or mathematical models be certified as free

from error; investors should expect that – at any given time – EVA Capital’s code may contain errors or bugs.

As with any software, upgrades, “bug fixes” and various other improvements may be introduced over time and the risk therefore exists that such changes may detrimentally affect the performance of the Master Fund, rather than improve it.

Furthermore, without limitation, while the software has been tested, no guarantee can be given that a unique combination of input conditions experienced when running the system “live” and which has not been encountered during development, will not cause the system to fail, perform aberrantly, or take positions that are (under some reasonable criteria) judged to be inappropriate.

These failures can also occur in a complex, interdependent environment where different elements of code are all functioning correctly if their interaction gives rise to unanticipated or unintended errors. Given the fact that EVA Capital will be utilizing proprietary and third-party code (some of which may be open-source and without any warranties), it is possible that errors will arise from such interactions. For the sake of clarity and without limitation, though losses arising from programming implementation errors or logical errors could adversely affect the Master Fund’s performance, such losses would likely not constitute reimbursable trade errors under EVA Capital’s policies or its investment management agreement with the Master Fund.

Risks Inherent in Computer-Driven and Intellectual Property Based Systems

EVA Capital relies to a material extent on a wide range of intellectual property systems, including computer hardware and software systems and telecommunications systems, in substantially all phases of its operations, including research, valuation, trade identification and construction, trade execution, clearing, risk management, back office functions and reporting.

As described above, intellectual property systems are subject to a number of inherent and unpredictable risks. For example, there may be material undiscovered errors in software programs; software and/or hardware may malfunction and/or degrade; electronic and telecommunications delivery may fail; security breaches may lead to unauthorized trades or stolen intellectual property; services provided by third-party vendors to support the intellectual property systems may be interrupted; and computer-driven trading errors may occur. For the sake of clarity and without limitation, though losses arising from computer-driven and intellectual property-based systems could adversely affect the Master Fund’s performance, such losses would likely not constitute reimbursable trade errors under EVA Capital’s policies or the investment management agreement with the Master Fund.

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Investors and prospective investors are strongly encouraged to read the offering documents of the Funds in detail.

Item 9: Disciplinary Information

Neither EVA Capital nor its employees have been involved in any legal or disciplinary events in the past 10 years that would be material to a Fund, investor's or prospective investor's evaluation of EVA Capital's business or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status.

Neither EVA Capital nor any of its management persons are registered, or have an application pending to register, as a broker/dealer or a registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading.

EVA Capital will not register with the CFTC as a commodity pool operator ("CPO") and will not become a Member of the National Futures Association ("NFA"). While the Funds may trade commodity interests, EVA Capital and the General Partner are each exempt from registration as a commodity pool operator and a commodity trading adviser.

C. Material Relationships or Arrangements with Other Industry Participants.

As explained in Item 4 above, EVA Capital GP LLC, an affiliate of EVA Capital, serves as the General Partner to EVA Capital Master Fund LP and EVA Capital Onshore Fund LP.

EVA Capital's affiliates, principals and employees and their immediate families may from time to time purchase interests in the Funds, and investments by such parties generally are not subject to the Management Fees or Performance Allocation described in Item 5 above. EVA Capital believes that its relationships or arrangements with the General Partner do not create a material conflict of interest for EVA Capital with its Funds and/or investors. In addition, EVA Capital has entered into investment management agreement with the Funds. The material terms of the investment management agreements are fully disclosed to all investors in the Funds prior to their investment.

D. Material Conflicts of Interest Relating to other Investment Advisers.

EVA Capital does not recommend or select other investment advisers for its Funds or have other business relationships with investment advisers.

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

EVA Capital holds itself and its employees to the highest level of integrity and ethical standards. EVA Capital and its employees will always place the interests of the Funds ahead of their own.

A. Code of Ethics.

EVA Capital's Code of Ethics (the "Code") and related policies and procedures have been designed to meet and exceed the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act") and is applicable to all of EVA Capital's employees. A copy of EVA Capital's Code is available upon request.

1. Policies on Insider Trading.

By reason of its various activities, EVA Capital may become privy to material non-public information and be restricted from effecting transactions in investments that might otherwise have been initiated. EVA Capital has designed and implemented policies in order to prevent the improper use of material non-public information (the "Insider Trading Policies").

EVA Capital's Insider Trading Policies prohibit EVA Capital and its personnel from (i) trading either personally or on behalf of the Funds or recommending trading, in securities of a company while in possession of material non-public information in violation of the law and (ii) communicating material non-public information to others in violation of the law. Additionally, EVA Capital personnel are required to promptly inform the Chief Compliance Officer ("CCO") if they come into contact with material non-public information. The CCO will then take steps, as appropriate, to prevent dissemination of material non-public information and to restrict the trading in the security by EVA Capital and its personnel.

Each person covered by the Insider Trading Policies must acknowledge at the time of hire and on an annual basis thereafter that he or she understands and agrees to adhere to the Insider Trading Policies.

2. Personal Account Trading.

Subject to certain very limited exceptions, and given the broad investment mandates of its Funds, EVA Capital generally does not allow its employees or their immediate family sharing the same household to conduct personal securities transactions in an effort to avoid conflicts of interest resulting from personal trading activities.

The limited exceptions to EVA Capital's trading restrictions fall into two categories. The first exception is for certain instruments, the purchase or sale of which is permitted without pre-approval; these instruments are: open-end mutual funds, money market instruments, obligations issued or guaranteed by the U.S. government, investment grade municipal bonds, senior unsecured agency instruments from Fannie Mae and/or Freddie Mac. The second exception is for certain types of transactions that may be permitted, but only after pre-approval from the CCO.

These transactions are: the purchase of interests in private investment partnerships; purchase of equity securities in private companies (*i.e.*, entities whose securities are not publicly-traded); and sales of securities held by an employee at the time he or she began employment at EVA Capital. Upon approval from the CCO, EVA Capital employees will have one day to complete their approved transaction or must re-submit their pre-approval request. For any transaction approved by the CCO, employees are bound by a holding period for of a minimum of 30 days.

The CCO will analyze the request for approval to determine whether the investment is appropriate in light of EVA Capital's fiduciary duty to the Funds.

To supervise compliance with the Code, EVA Capital requires all employees to report their personal securities holdings and transaction activities to the CCO. Employees must submit these quarterly, and must sign a representation that the submitted statements represent all relevant external accounts and that all trading activity is in compliance with EVA Capital's policies. The CCO monitors and reviews all employee personal securities transactions to detect potential abuses and to ensure compliance with EVA Capital's personal securities transactions policies and procedures

3. Political Contributions.

EVA Capital maintains policies and procedures to govern, monitor and place limitations on the political contributions made by its employees and affiliates in order to comply with the Advisers Act and local laws and regulations.

4. Gifts and Entertainment.

EVA Capital maintains policies and procedures intended to prevent employees from being unduly influenced in their decisions by the receipt of gifts or other inducements from third parties, such as trading counterparties, vendors and investors. To do so, EVA Capital's Code requires the preclearance of gifts and entertainment above certain values.

5. Outside Business Activities.

Any outside business activity of an employee is subject to approval by EVA Capital. For example, an employee may not serve as an officer or director of a public or private company without obtaining the requisite approval. In granting approval, EVA Capital will consider whether any outside business activity conflicts or may conflict with the business of Eva Capital or the Funds.

B. Securities in which EVA Capital has a Material Financial Interest.

EVA Capital's personal trading policy has been designed to reduce the potential for conflicts that may arise in connection with employee personal trading activities. With limited exceptions, employees are not allowed to trade. However, EVA Capital recognizes that certain situations may exist where employee legacy investment holdings, such as equity securities, may overlap with the securities that are recommended to the Funds. Since an employee is limited to only selling or reducing their legacy holdings, such personal transaction may differ from, or be contrary to the investment activities of the Funds (e.g., an employee sells while a Fund is building a position in

the same security). EVA Capital seeks to mitigate this conflict by requiring all employees to receive written approval prior to engaging in such personal trading activities. The CCO is responsible for approving all employee transaction requests and will compare such request against Fund trading activities prior to granting approval. On an on-going basis, the CCO will conduct periodic reviews of employee trading activities and provide compliance training to ensure that employees abide by EVA Capital's personal trading policy and do not engage in any conflicting or prohibited transactions. The CCO's personal trading will be reviewed by the principal owner of EVA Capital.

C. Investing in Securities Recommended to Funds.

Given the restrictive nature of EVA Capital's personal trading policies, as described in detail in the preceding sections, EVA Capital believes that it has developed and implemented reasonably designed policies and procedures to avoid conflicts of interest and to ensure that EVA Capital and its employees act in a manner consistent with its fiduciary obligations.

D. Contemporaneous Trading.

Given the potential conflicts associated with employees trading contemporaneously with EVA Capital's Fund trading activity, EVA Capital has implemented a pre-clearance process to ensure that the limited employee trading allowed by EVA Capital does not conflict with CI investment activities.

Item 12: Brokerage Practices

A. Selection of Broker-Dealers.

EVA Capital has discretionary authority to determine what securities are bought or sold, as well as, with respect to EVA Capital Funds other than the Accounts, the broker-dealer(s) that will effect those transactions.

EVA Capital has engaged certain financial institutions to serve as prime brokers (the "Prime Brokers") to the Fund. The Prime Brokers will serve certain administrative functions including the issuance of broker account statements and recordkeeping on all custody transactions.

1. Selection Criteria.

In addition to the Prime Brokers, EVA Capital is authorized to determine the broker or dealer to be used for each Fund's securities transaction. EVA Capital places trades for execution with broker-dealers on the basis of seeking best execution and in consideration of relevant factors, including, but not limited to, commission rates, reliability, financial responsibility, strength of the broker and the ability of the broker to execute transactions efficiently, the broker's facilities, and the broker's provision or payment of the costs of brokerage and research services that are of benefit to the Funds. EVA Capital need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

If EVA Capital concludes that the commissions charged by a broker or the spreads applied by a dealer are reasonable in relation to the quality of services rendered by such broker or dealer (including, without limitation, the value of the brokerage and research products or services provided by such broker or dealer), EVA Capital's Funds may pay commissions to or be subject to spreads applied by such broker dealer in an amount greater than the amount another broker-dealer might charge or apply.

In addition, the Prime Brokers may provide other services that are beneficial to EVA Capital, but not necessarily beneficial to the Funds, including, without limitation, consulting with respect to technology, operations or equipment, capital introduction programs, and other services or items. Such services and items may influence EVA Capital's selection of Prime Brokers.

EVA Capital maintains policies and procedures to review the quality of executions, including periodic review by its investment professionals.

2. Research and Other Soft Dollar Benefits.

The use of commissions or "soft dollars," if any, generated by any Client through to pay for brokerage-and research-related products or services, if any, will fall within the safe harbor created by Section 28(e) of the Exchange Act ("Section 28(e)"). "Soft dollar" research-related goods and services (collectively, "soft dollar items") used by the applicable Eva Capital in making investment decisions may include, but are not limited to, research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, and other goods and services providing lawful and appropriate assistance to EVA Capital in the performance of its investment decision making responsibilities on behalf of Funds. In addition, such research services may include invitations to attend conferences or meetings with management teams, security analysts, industry consultants and economists.

To the extent that EVA Capital does engage in such "soft dollar" arrangements, Funds may pay commissions to a broker in an amount greater than the amount another broker might charge. Soft dollar items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the Funds with credits or rebates provided by brokers and dealers. Where a product or service obtained with soft dollars provides both brokerage research and non-research assistance to EVA Capital (*e.g.*, a "mixed use" item), Eva Capital will make a reasonable allocation of the cost that may be paid for with soft dollars. Brokers and dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by any broker or dealer may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total transaction volume is allocated on the basis of all considerations described above. A broker or dealer will not be excluded from executing transactions for the Funds because it has not been identified as providing soft dollar items.

Under Section 28(e), brokerage- and research-related products or services obtained with soft dollars generated by the EVA Capital's Funds may be used by EVA Capital to service accounts other than the Fund. Soft dollars generated in respect of futures, currency and derivatives

transactions and principal transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) and will be utilized only with respect to brokerage- and research-related products and services for the benefit of the account generating such soft dollars.

EVA Capital will meet on a periodic basis to monitor the levels of Eva Capital's soft dollar payments and ensure adherence to EVA Capital's soft dollar and best execution policies. Furthermore, periodically, and at least annually, EVA Capital conducts a process in which its investment personnel are required to evaluate the research products or services provided by broker-dealers. In this process, EVA Capital makes both quantitative and qualitative assessments of the amount, nature and value of research and brokerage services provided by broker dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of the Funds on the basis of those considerations.

B. Order Aggregation.

EVA Capital trades only through the Master Fund and does not aggregate trades.

Item 13: Review of Accounts

Review of Accounts

EVA Capital's investment professionals will continuously monitor and review positions held by Funds and the managed accounts in the context of their stated investment objectives. As stated above in Item 8. EVA Capital may change trading methods and modify the financial models currently in use in its sole discretion.

Reporting to Investors

Within 120 days after the end of each fiscal year, EVA Capital will prepare and make available to each investor the audited financial statements of the Funds. EVA Capital will also make available quarterly unaudited performance information and investor letters to the investors. The Administrator will provide monthly unaudited statements for the investors.

Within 120 days of the end of each fiscal year or as soon as reasonably practicable thereafter, EVA Capital will prepare and make available, or cause its accountants to prepare and make available, to each investor, a report setting forth in sufficient detail such information as will enable such investor to prepare its U.S. federal income tax return in accordance with relevant laws, rules and regulations.

Item 14: Client Referrals and Other Compensation

EVA Capital does not have any arrangements in place to compensate anyone or be compensated for the referral of investors.

With respect to the selection criteria for Prime Brokers identified above in Item 12, EVA Capital may have access to certain services that may influence EVA Capital's decision to engage certain of its Prime Brokers. Specifically, the Prime Brokers may provide EVA Capital with access to their respective capital introduction services. While this presents a conflict and may be considered indirect payment for referrals, EVA Capital's decision to engage its prime brokers, as noted above in Item 12, will be based on a wide range of selection criteria and not focus on access to capital introduction services.

Item 15: Custody

A. Custody of Fund Assets.

With respect to the Funds, EVA Capital and its affiliate the General Partner are deemed to have custody of investors' funds and securities invested in the Funds because they have the authority to obtain investors' funds or securities, by, for example, deducting advisory fees from an investor's account or by virtue of their status as general partner of the Funds.

EVA Capital and its affiliate do not have physical custody of any Fund Assets; all such assets are held in the name of independent qualified custodians. However, because they are deemed to have custody of the Fund assets, they are subject to Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the "Custody Rule"). EVA Capital is not required to comply with all requirements of the Custody Rule with respect to the Funds because, among other things, it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which requires that the Funds be audited at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the Funds distribute audited financial statements to all investors within 120 days of the end of its fiscal year.

EVA Capital does not have custody of the managed account it currently advises. All assets of the account are held by a qualified custodian and EVA Capital does not deduct fees or expenses.

Item 16: Investment Discretion

EVA Capital expects to have discretionary authority to determine which securities and the amounts of securities that are bought or sold, as well as the broker-dealer to be used and the commission rates to be paid with respect to the Funds. The Fund investors generally will not have the ability to place any limits on the EVA Capital's authority beyond the limitations set forth in

the applicable Fund's offering and governing documents. The Master Fund has entered into an investment management agreement granting EVA Capital discretionary trading authority.

Unlike Fund investors who do not individually have the ability to place limits on EVA Capital's trading authority, managed account investors may impose certain restrictions depending on the terms of the respective investment management agreement.

Item 17: Voting Client Securities

Due to the nature of EVA Capital's advisory services, and more specifically because the EVA Capital normally follows a short-term, quantitative and systematic trading strategy, EVA Capital has determined that the outcome of any proxy contests will not have any impact on EVA Capital's trading strategy or investment decision making for client accounts. Therefore, EVA Capital has determined that the cost to Investors of tracking and voting proxies held in the Funds is higher than the benefit obtained by Investors for doing so. Therefore, EVA Capital will not vote proxies for securities held by clients. Additionally, because the Funds' trading strategies are typically short-term oriented, EVA Capital's default position is not to participate in class actions since they may take years to resolve.

Investors may obtain a copy of EVA Capital's proxy voting policies and procedures by submitting a request to the CCO.

Item 18: Financial Information

EVA Capital has never filed for bankruptcy nor is it aware of any financial condition that is expected to impair its ability to meet its contractual commitments to its Funds.