

FourWorld Capital Management LLC

October 14, 2016

This *brochure* provides information about the qualifications and business practices of FourWorld Capital Management LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this *brochure*, please contact us at (646) 781-8730. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any *state securities authority*.

Additional information about FourWorld Capital Management LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or with any *state securities authority* does not imply a certain level of skill or training.

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Item 4. Advisory Business

The Adviser is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations in April 2015. John Addis is the principal owner of the Adviser.

The Adviser provides the following advisory services on a discretionary basis to its clients, which are pooled investment vehicles intended for sophisticated investors and institutional investors (the "Funds"). The Adviser also provides advisory services on a non-discretionary basis to a separately managed account (the "Account"). The Adviser expects to provide advisory services to additional pooled investment vehicles separately managed account(s) over the next year.

The Adviser provides advice to the clients based on specific investment objectives and strategies described in the client documents. The Adviser does not tailor advisory services to the individual needs of client, and clients may not impose restrictions on investing in certain securities and other financial instruments or certain types of securities and other financial instruments.

As of October 14, 2016, the Adviser had approximately \$26,250,000 in regulatory assets under management. As of that date, the Adviser managed \$15,372,000 on a discretionary basis and \$10,879,000 on a non-discretionary basis.

Item 5. Fees and Compensation

Asset-Based Compensation

The Adviser is paid an asset-based investment management fee of 1.25 to 2.00% (see the client agreement for more details). The asset-based investment management fee paid by the Funds is per annum based on the capital contributions of the investors. The Funds' investment management fees are charged each month in advance based on the capital contributions of the investors in the Fund. The management fees are negotiable.

Performance-Based Compensation

The Adviser may also be paid performance-based compensation, which is compensation that is based on a share of capital appreciation of the assets of a client. This compensation may be paid to the Adviser or to a related person of the Adviser and ranges from 15 to 20% of the client's profits (see the client agreement for more details). These fees are negotiable.

The Adviser generally deducts the investment management fee from the Funds on a monthly basis by instructing the client's custodian. However, in limited circumstances, where amounts reserved by the Funds are insufficient to pay the investment management fee, the Adviser may bill investors in the Funds for the management fee (see the Funds' offering memoranda for more details). If the circumstances described in the preceding sentence were to arise, the Adviser would not also deduct the investment management fee from the Funds. Pre-paid fees charged to the Funds will be refunded based on the number of days remaining in the month for any period that is less than a full month.

In addition to paying investment management fees and, if applicable, performance-based compensation, the Funds will also be subject to other investment expenses such as all out-of-pocket expenses incurred by the Funds or on their behalf that are directly related to the organization of the Funds; ongoing expenses, including, without limitation, legal, compliance, administration and accounting expenses (including third party administration and accounting services); fund-related insurance costs; investment expenses such as commissions; and any other expenses related to the purchase, sale or transmittal of assets of the Funds; research fees and expenses (including research-related travel expenses); out-of-pocket expenses incurred in connection with the collection of amounts due to the Funds from any individual, company, corporation, trust, limited liability company, joint stock company or other legal entity (collectively, a "Person"); expenses incurred in connection with any action, claim, suit, investigation, arbitration or proceeding, whether at law or in equity, and whether by or before any court, arbitrator, governmental body or other administrative, regulatory or other agency or commission (collectively, a "Proceeding") involving the Funds (including the cost of any investigation and preparation) and the amount of any judgment or settlement paid in connection therewith; any indemnification obligation and any other indemnity contribution or reimbursement obligations of the Funds with respect to any Person, whether payable in connection with a Proceeding involving the Funds or otherwise; and (vi) all other expenses of Funds incurred in connection with its ongoing operations and administration. In addition, clients will incur brokerage and other transaction costs. Please refer to Item 12 of this Firm *Brochure* for a discussion of the Adviser's brokerage practices.

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

The Adviser or an affiliate of the Adviser is entitled to be paid performance-based compensation by clients. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. As noted in Item 4, the Adviser expects to provide advisory services to additional clients over the next year. The Adviser will employ a wide range of investment objectives and strategies for its clients. These differing objectives and strategies raise potential conflicts of interest. For example, the Adviser may buy a security for one client account while it is selling that security for another client account. In addition, the Adviser may cause one client account to buy a particular security "long" and another client account to sell that same security "short." In specific instances, the Adviser's strategies may result in buying and selling different securities and instruments within an issuer's capital structure for different clients. Accordingly, it is possible that one client may acquire an instrument that is senior on the capital structure of an issuer relative to an instrument for a different client that is more junior on the capital structure (including common stock). In certain circumstances, such as if the credit quality of the issuer deteriorates, the Adviser may owe conflicting fiduciary duties to multiple *clients*, in that action taken to protect the interest of one set of holders may be detrimental to, or conflict with the interests of, other holders of the same issuer's securities or instruments. When the Adviser causes its clients to take opposite positions with respect to a particular security, or to invest in different ranks of seniority with respect to a particular issuer, action taken for the benefit of one set of clients may appear to favor that set of clients.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities. The Adviser will review investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts will be regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser will adopt procedures relating to the allocation of investment opportunities which require that similarly managed accounts participate in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the client orders are price-averaged. Finally, the Adviser's procedures will also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair allocation among accounts. These areas are monitored by the Adviser's Chief Compliance Officer.

Item 7. Types of *Clients*

The Advisers clients are private funds intended for sophisticated investors and institutional investors. With respect to any client that is a pooled investment vehicle, any initial subscription minimums are disclosed in the offering memorandum for the pooled investment vehicle.

As noted in Item 4, the Adviser expects its clients to include additional pooled investment vehicles intended for sophisticated investors and institutional investors and separately managed account(s) over the next year. The Adviser does not have any requirements for opening or maintaining an account.

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

The Adviser primarily focuses on event driven and special situation investments in the North American and European equities and equity derivatives markets. The Adviser's strategy emphasizes investments in special corporate situations driven by tax, legal and regulatory considerations. The Adviser may, from time to time, use certain credit related instruments. The Adviser utilizes a variety of methods and strategies, including fundamental research, to make investment decisions and recommendations.

The Adviser employs the following investment strategies:

Special Situation/Event Driven Investing. The Adviser may look for special situation or event driven investment opportunities, which involve evaluating both the value of the underlying securities and the timing and probability of a specific event, such as a potential merger between two companies or upon a determination in a legal proceeding.

Equity. The Adviser's equity strategy focuses on a broad range of equity investment styles. Some client accounts may focus on specific ranges on the capitalization scale, from micro-cap, through small-cap, mid-cap and large-cap, to mega-cap. Other client accounts may focus on investment opportunities in more than one capitalization category or across all capitalization levels. In addition, the Adviser may manage client accounts that are global, multi-national, or focused on particular geographic regions or specific countries.

Hedging. The Adviser utilizes a variety of financial instruments such as derivatives for profit and/or risk management purposes.

Arbitrage Transactions. The Adviser engages in one or more types of arbitrage strategies. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in other forms. The Adviser engages in the following arbitrage strategies: event-driven arbitrage, merger arbitrage and capital structure arbitrage.

Leverage. The Adviser's investment program may utilize leverage which involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

Short Selling. The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) in order to maintain flexibility and, (iii) for profit.

Credit. The Adviser engages in a credit strategy. The Adviser generally invests in credit-related assets across all levels of the capital structure, including, investments in distressed debt securities and other financial instruments, high yield and investment grade loans and bonds, structured credit and special situations.

Growth. The Adviser engages in a capital growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire contribution.

Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies.

The following summary identifies the material risks related to the Adviser's significant investment strategies and should be carefully evaluated before making an investment with the Adviser; however, the

following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks.

Special Situations. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either 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 to the Adviser's client 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, the Adviser's client may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Adviser's client may invest, there is a potential risk of loss by the Adviser's client of its entire investment in such companies.

Lack of Diversification. Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments, geographic areas or sectors.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

Arbitrage Transaction Risks. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Adviser is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

Leverage. Performance may be more volatile if a client's account employs leverage.

Short Selling Risk. The Adviser's investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser 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 security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

High Growth Industry Related Risks. High growth companies may 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, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

Technology Industry Related Risks. Certain technology and technology-related companies 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 connection with the foregoing,

technology and technology-related companies could be adversely affected by lack of commercial acceptance of its main product or products or by technological change and obsolescence. Further, many 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 technology or technology-related company will be able to protect these rights, as applicable, 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 the company. Conversely, other companies may make infringement claims against the company, which could have a material adverse effect on it. Additionally, the markets in which many technology and technology-related 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 the companies the Adviser invests in will successfully penetrate their market or establish or maintain a competitive advantage.

Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short term as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Derivatives. Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Adviser. Further, transactions in derivative instruments may not be undertaken on recognized exchanges, and will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Risk Arbitrage Securities. A merger, other restructuring, tender, or exchange offer proposed at the time the Adviser invests in risk arbitrage securities may not be completed on the terms or within the time frame contemplated, resulting in losses.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Illiquid Instruments. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as

the deterioration of creditworthiness of an issuer. In some cases, the relevant portfolio may be contractually prohibited from disposing of certain securities for a specified period of time. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

Additional Risks Relating to the Adviser

Cybersecurity Risk. The information and technology systems of the Adviser and of key service providers to the Adviser and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

Risk Management Failures. Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.

Systems and Operational Risk. The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of *the client* trading activities, liability under applicable law, regulatory intervention or reputational damage.

Item 9. Disciplinary Information

This Item is inapplicable.

Item 10. Other Financial Industry Activities and Affiliations

One or more of the Funds for which the Adviser or its related person serves as managing member or investment manager has entered into agreements, or “side letters,” with certain prospective or non-managing members whereby such non-managing members may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the partnership or fund. For example, such terms and conditions may provide for reduced fees and performance compensation, special redemption rights; a waiver of other terms; rights to information not provided to other non-managing members (including, without limitation, more detailed information regarding portfolio positions) and such other rights as negotiated by the Fund and such non-managing member. The modifications are solely at the discretion of any such Fund and may, among other things, be based on the size of the non-managing member's investment in the Fund or affiliated investment entity.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its supervised persons to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. In addition to compliance with the Adviser’s policies and procedures, all of the Adviser’s personnel are required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting Christopher Jaeger (Chief Compliance Officer) by email at chris@fourworldcapital.com, or by telephone at (646) 781-8730. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser’s supervised persons.

The Adviser and its supervised persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment, which includes quarterly disclosure of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Chief Compliance Officer prior to giving/receiving gifts above a certain de minimis threshold.

The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to its clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

In addition, the Adviser or its supervised persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser recommends to clients. The Adviser or its supervised persons may trade in a particular security in a manner that is the same as, different from, or even opposite to the trading activity undertaken by the Adviser on behalf of its clients with respect to that same security. Such practices present a conflict when, because of the information an Adviser has, the Adviser or its supervised persons are in a position to trade in a manner that could adversely affect the clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the client trades). In addition to affecting the Adviser’s or its supervised person’s objectivity, these practices by the Adviser or its supervised persons may also harm clients by adversely affecting the price at which the clients’ trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: The Adviser requires its supervised persons to preclear (i) certain limited offerings and initial public offerings and (ii) transactions in securities that are also held by a client account, in their personal accounts with the Chief Compliance Officer. In addition, the Adviser’s Code prohibits the Adviser or its related persons and its supervised persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser’s supervised persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser’s supervised persons are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Adviser’s supervised persons are required to provide broker confirmations of each transaction in which they engage and quarterly certification of such transactions.

The Adviser's supervised persons are also required to provide quarterly brokerage statements. Trading in the personal accounts of the Adviser's supervised persons is reviewed by the Chief Compliance Officer and compared with transactions for client accounts and reviewed against the restricted securities list.

To the extent that the Adviser or a related person or any personnel of the Adviser own securities that the Adviser or its related persons also recommends to clients, such clients' proxies will be voted according to predetermined guidelines rather than subject to the Adviser's (or its related person's) discretion. Please refer to Item 17 for further information regarding the Adviser's proxy voting policy and procedures.

A related person of the Adviser from time to time may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that the related person buys or sells the same securities for its own account in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser's related person to the detriment of the client.

The Adviser's related persons may, and currently do, invest in private funds managed by the Adviser. The Adviser's related persons have access to information that is not available to other investors in such private funds.

Item 12. Brokerage Practices

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to, reputation, financial strength and stability, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, research (including economic forecasts, fundamental and technical advice on securities, valuation advice on market analysis); custodial and other services provided for the enhancement of the Adviser's portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; and the operational facilities of the brokers and/or dealers involved (including back office efficiency). 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. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Chief Investment Officer, Chief Compliance Officer and Head of Execution meet periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

The Adviser, receives research and other products or services other than execution from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, 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 broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) 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 adviser 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.

When the Adviser uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's Chief Investment Officer, Chief Compliance Officer and Head of Execution meets periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, 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-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

The Adviser may cause clients 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 clients.

Research and brokerage services obtained by the use of commissions arising from a *client's* portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of other *client* accounts. The Adviser seeks to allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate.

In determining whether to direct client brokerage transactions to particular broker-dealers, the Adviser's Chief Investment Officer, Chief Compliance Officer and Head of Execution meets periodically to review and evaluate the soft dollar practices of the Adviser and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, 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-dealer.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by the Adviser's personnel. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination by the Adviser of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and clients.

From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend investments in these private funds as investments to the clients of the broker-dealer. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

Item 13. Review of Accounts

The client accounts are reviewed by the Chief Investment Officer of the Adviser, on an ongoing basis to determine whether securities positions should be maintained in light of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of the client account.

Significant market events affecting the prices of one or more securities in the client account or changes in the investment objectives or guidelines of a particular client may trigger reviews of the client account on other than a periodic basis.

Each investor will receive reports from the Adviser pursuant to the terms of the client agreement.

Item 14. *Client Referrals and Other Compensation*

The Adviser receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

The Adviser makes cash payments to third-party solicitors for Fund investor referrals whereby the third-party solicitor receives compensation attributable to the Fund investor solicited and referred by the third-party solicitor, provided that, to the extent required, each such solicitor has entered into a written agreement with the Adviser pursuant to which the solicitor will provide each prospective client with a copy of the Adviser’s Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended and related SEC staff interpretations.

Item 15. *Custody*

An affiliate of the Adviser is deemed to have custody of certain client assets due to serving as the managing member of a limited liability company and intends to comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, by meeting the conditions of the pooled vehicle annual audit provision.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary and non-discretionary basis to clients.

Prior to assuming full discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Where the Adviser provides investment advisory services on a discretionary basis, it has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines), and (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among clients: (i) a client's investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to client accounts in varying amounts

Allocations will be made among *client* accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a *client's* investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a *client's* status as a "*restricted person*" under applicable regulations. Securities acquired by the Adviser for its *clients* through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those *client* accounts eligible to hold such securities. Eligibility will be based on the legal status of the *clients* and the *clients'* investment objectives and strategies.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, the Adviser's error correction procedure is to ensure that clients are treated fairly and, following error correction, are in the same position they would have been if the error had not occurred. The Adviser has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy.

Item 17. Voting *Client* Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of its *clients*, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to *client* securities, such proxies are voted in the best interests of the Fund. The Adviser's *clients* are not permitted to direct their votes in a particular solicitation.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a *client's* proxies by contacting Christopher Jaeger (Chief Compliance Officer) by email at chris@fourworldcapital.com or by telephone at (646) 781-8730.

Item 18. Financial Information

This Item is not applicable.