

## **Part 2A of Form ADV**

### **Firm Brochure**

**December 23, 2020**

#### **Eagle Eye Advisors LLC**

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This brochure provides information about the qualifications and business practices of Eagle Eye Advisors LLC (the "Adviser"). If you have any questions about the contents of this brochure, please contact us at (646) 853-2660 or [matiasmirvois@eagleeye.com](mailto:matiasmirvois@eagleeye.com). 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 the Adviser is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

**Item 2.      Material Changes**

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

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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. Matias Mirvois, William Carroll and Patrick Bosworth are the managing members of the Adviser. The Adviser expects to commence operations as an investment adviser in the first quarter of 2021. As a result, certain responses contained herein are based on the Adviser's expectations with respect to its investment advisory business.

The Adviser will provide investment advisory services on a discretionary and non-discretionary basis to its clients, which will consist of primarily separately managed accounts (the "Accounts") and a pooled investment vehicle (the "Fund," and together with the Accounts, the "Clients") intended for sophisticated investors and institutional investors.

The Adviser will offer financial planning services to Accounts, including, but not limited to, the coordination and planning of investments, retirement, education, estate, cash flow and risk management. The Adviser will generally provide these services in the context of developing a comprehensive financial plan for the Account and/or by providing planning advice on specific financial planning issues.

The Adviser will provide advice to Clients based on specific investment objectives and strategies. The Adviser will tailor advisory services to the individual needs of Accounts. The Adviser will not tailor advisory services to the individual needs of investors in the Fund. In addition, Accounts may impose restrictions on investing in certain securities or certain types of securities. As of December 15, 2020, the Adviser had approximately \$1,500,000 of regulatory assets under management, all of which was managed on a discretionary basis. In accordance with Rule 203A-2 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), the Adviser anticipates that it will amend this brochure within 120 days of registration to indicate that it has met the asset eligibility requirements for registration with the SEC.

#### **Item 5. Fees and Compensation**

*Asset-Based and Performance-Based Compensation.* The asset-based fees that are charged to an Account are set forth in the Adviser's investment management agreement ("Investment Management Agreement") with the Account.

As a general matter, the Accounts will pay the Adviser an asset-based investment management fee each month in advance based on the value of the net assets maintained in the respective Account on the first day of each month (the "Management Fee").

The Fund will pay the investment management fee and performance-based compensation (the "Incentive Compensation") described in the Fund's private placement memorandum, limited partnership agreement and/or other governing documents (collectively, the "Governing Documents").

*Expenses.* In addition to the Management Fee, the Accounts shall bear the expenses of (i) research fees and expense, brokerage commissions, issue and transfer taxes, custodial fees and bank service fees, (ii) interest on margin accounts, (iii) borrowing charges on securities sold short, and (iv) any other reasonable expenses related to the purchase, sale or transmittal of assets of the Account.

In addition to the investment management fee and performance-based compensation, the Fund will be subject to expenses as set forth in the Fund's Governing Documents.

The allocation of expenses by the Adviser between it and a Client and among Clients represents a conflict of interest for the Adviser. The Adviser will adopt an expense allocation policy that is designed to address this conflict. The Adviser will allocate expenses to each Client in accordance with the Client's governing documents. The Adviser will seek to allocate any shared expenses for products and services benefitting multiple Clients or both the Adviser and a Client, and not covered in the Client's governing documents, in a fair and reasonable manner.

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

The Adviser and its investment personnel will provide investment management services to multiple portfolios for multiple Clients. The Adviser (or an affiliate of the Adviser) will be entitled to be paid performance-based compensation by the Fund. 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, certain Client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other Client accounts or have asset-based fees or performance-based compensation arrangements providing for payment to the Adviser at different times or over different time intervals. When the Adviser and its investment personnel manage more than one Client account a potential exists for one Client account to be favored over another Client account. The Adviser and its investment personnel will have a greater incentive to favor Client accounts that pay the Adviser (and indirectly its investment personnel) higher fees, performance-based compensation, or compensation that is paid at different times or over different time intervals.

The Adviser manages multiple Client accounts. Accordingly, the Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with the same or substantially similar investment objectives, strategies and restrictions are treated equitably. The performance of accounts with the same or substantially similar investment objectives, strategies and restrictions is also reviewed to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that eligible Client accounts with the same or substantially similar investment objectives, strategies and restrictions participate in investment opportunities pro rata based on the relative value of the assets of each participating account to all participating accounts; provided, however that the Adviser may allocate investment opportunities to such accounts on a non-pro rata basis due to a consideration of factors including but not limited to timing of cash inflows/outflows, ability to participate in new issues, etc. To the extent orders are aggregated, the Client orders are price-averaged and allocated in accordance with the aggregated order; provided, that the aggregated order may be allocated on a different basis for reasons including but not limited to partially filled orders and to avoid odd lots or excessively small allocations. Finally, the Adviser's procedures 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 ("CCO").

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

Currently, the Adviser's clients consist only of Accounts. The Adviser anticipates that its Clients will consist of Funds and Accounts. Any initial and additional subscription minimums with respect to investment in a Fund are disclosed in the offering memorandum for the Fund. Any minimum investment amount with respect to an Account is disclosed in the Investment Management Agreement of the Account.

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

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

#### **Investment Objective and Strategy**

*Investment Objective and Strategy - Accounts.* The Adviser's investment strategy seeks to deliver above average after tax, inflation adjusted returns. The Adviser will seek to diversify investments among different asset classes and different timeframes to capture long term market trends and medium and short term tactical opportunities arising from current economic trends and events. The Adviser may from time to time recommend to Clients, or invest in on behalf of Clients, in liquid and illiquid assets among different strategies as described below.

With respect to Accounts, the Adviser will seek to design and implement customized portfolio strategies tailored to the Account's goals, financial situation and risk appetite. A strategic asset allocation based on long term goals is deployed using a broad range of asset classes such as equity, fixed income, commodities, and alternative investments (when appropriate). The Adviser will select underlying securities such as exchange-traded funds (ETFs), mutual funds, structured products, and options for each asset class and will seek to monitor those investments on an ongoing basis for performance, costs and tax considerations.

The Adviser will also advise on an Account's tactical asset allocation within the broader long-term strategy. With respect to such Accounts, the Adviser will look for relative value among different sector and/or indexes or fixed income securities and will look to rebalance among them with a medium-term horizon. The Adviser will incorporate costs and tax considerations while analyzing tactical asset allocation changes.

In all the strategies described above, the Adviser will recommend to certain Accounts that all or a portion of their investment portfolio be implemented by utilizing one or more unaffiliated money managers or investment platforms (collectively "Independent Managers"). The Client will be required to enter into a separate investment management agreement with such Independent Managers.

The Adviser will recommend to certain Accounts that a portion of their investment portfolio be allocated to the Fund. The Fund employs an active trading strategy as described below.

The Adviser's specific recommendations to Accounts will differ based on each Account's portfolio size, risk profile, tax situation, time horizon and/or custodian.

*Investment Objective and Strategy – Fund.* The Fund will employ an active trading strategy that will seek short term trading opportunities uncorrelated to the Adviser's core asset allocation strategy. Investors and potential investors in the Fund should refer to the offering memorandum for the Fund for a detailed discussion of the Fund's investment objective and strategy.

## ***B. 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. Investors and potential investors in a Fund should refer to the offering memorandum for the Fund for a further discussion of the applicable risks.

*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.

*Commodities.* Commodity investments are affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on its commodity investments. Prices of commodity investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Adviser's portfolio and the value of its investments. In addition, the value of the Adviser's portfolio may fluctuate as the general level of interest rates fluctuates.

*Distressed Situation Risk.* Investment in distressed situations exposes the Client to significant risks, including: the difficulty in obtaining information as to the issuer's true condition; regulatory risk, including laws relating to fraudulent conveyances, voidable preferences, lender liability and bankruptcy; litigation risk; liquidity risk; and collection risk (especially, when dealing with sovereign debt). Moreover, to the extent Client accounts are invested in sovereign debt obligations, those investments will be subject to additional risks and considerations not present in private distressed situations, including the uncertainties involved in

enforcing and collecting debt obligations against sovereign nations, which are affected by world events, changes in U.S. foreign policy and other factors outside of the control of the Adviser.

*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.

*International Investing.* Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) potential lack of uniform accounting, auditing and financial reporting standards; (iii) varying levels of governmental regulation and supervision; and (iv) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. The transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies. The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy.

*Interest Rate Risks.* Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities. The Adviser may attempt to minimize exposure to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Adviser will be successful in fully mitigating the impact of interest rate changes.

*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.

*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.

*Limits on Trading Activities.* In some situations, purchases or sales of securities for one Client account may cause certain trading limitations to apply to another Client account. Such trading limitations may be the result of regulatory restrictions. For example, under federal securities laws, a short sale of a security by one Client within five business days prior to a public offering of the same securities (the timing of which is generally not known to the Adviser in advance) may prohibit another Client from participating in the public offering, which could cause the Client to miss an otherwise favorable investment opportunity or to pay a higher price for the securities in the secondary markets. Similarly, in the event that the Adviser causes one of its Clients to purchase equity securities offered via private placement, the Adviser's other Clients may be restricted from trading in related publicly traded securities.

*Relative Value Risk.* In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, Client accounts may incur a loss.

*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.

*Quantitative Strategies Risk.* The Adviser's investment program makes considerable use of computer programs and involves highly complex mathematical calculations. The Adviser directs the purchase or sale of investments in accordance with computer-generated trades. Although the Adviser intends to carry out such computer-generated calculations correctly, there can be no assurance that it will successfully be able to do so, nor does the use of a computer in collating information and operating a trading method assure the success of any such method. Errors, including but not limited to, inaccuracies in or corruption of data underlying trading algorithms, may occur with such complex calculations and computer programs which may be difficult to detect, and could have a material adverse effect on Client profits. The magnitude of the effect of such errors may be exacerbated when the program results in a significant number of trades being executed over a short period of time. Furthermore, highly successful strategies and programs may become outdated over time, even before the Adviser is able to recognize the shift and prevent substantial loss.

Although the Adviser rarely intervenes in the computer-generated trading, there may be times when human beings must alter, correct or update the data, models, or calculations used. The complexity of the programs used may make it more difficult for the Adviser to detect any source of failure or error in such programs before material losses occur.

The Adviser's strategy uses frequent trading which results in significantly higher commissions and charges to Client accounts due to increased brokerage costs, which will offset Client profits.

*Environmental, Social and Governance (ESG) Risk.* The Adviser's ESG strategy may underperform investment strategies that do not consider ESG factors. The Adviser may forgo otherwise attractive investment opportunities or increase or decrease the Client's exposure to certain types of issuers or certain sectors due to the Adviser's consideration of ESG factors. In addition, in evaluating an investment, the Adviser is dependent upon information that may be incomplete, inaccurate or unavailable, which could adversely affect the Adviser's ability to apply its ESG criteria.

*Socially Responsible Investing Risk.* The Adviser's socially responsible investment strategy may underperform investment strategies that do not consider socially responsible investing factors. The Adviser may forgo otherwise attractive investment opportunities or increase or decrease the Client's exposure to certain types of issuers or certain sectors due to the Adviser's consideration of socially responsible investing factors. In addition, in evaluating an investment, the Adviser is dependent upon information that may be incomplete, inaccurate or unavailable, which could adversely affect the Adviser's ability to apply its socially responsible investing criteria.

*Risks of Investments Generally.* Investments in Accounts and/or the Fund involve significant risks, including the risk that the entire amount invested may be lost. Client accounts will invest in and actively trade securities and other financial instruments using investment techniques with certain risk characteristics, including, without limitation, risks arising from the volatility of the equity markets and the potential illiquidity of securities and other financial instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that Clients' investment objectives will be achieved.

*General Economic and Market Conditions.* The success of Clients' 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 Clients' 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 Clients' investments. Volatility or illiquidity could impair Clients' profitability or result in losses. Clients may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

*Investment and Due Diligence Process.* Before making investments, the Adviser will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Adviser may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. When conducting due diligence and making an assessment regarding an investment, the Adviser will rely on the resources reasonably available to it, which in some circumstances, whether or not known to the Adviser at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment. The Adviser may make investment decisions based on incomplete or limited information and based on assumptions that may not be accurate.

*Long/Short.* The success of Clients' long/short investing depends upon the Adviser'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 Clients' 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 Clients' positions were to fail to converge toward, or were to diverge further from values expected by the Adviser, Clients may incur a loss. In the event of market disruptions, significant losses can be incurred which may force Clients to close out one or more positions. Furthermore, the financial and valuation models and assumptions used to determine whether a position presents an attractive opportunity consistent with the Adviser's long/short strategies may become outdated and inaccurate as market conditions change.

*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 Clients' investments may not adequately compensate for the business and financial risks assumed.

*Investing in Emerging Growth Companies.* Companies in rapidly changing fields face special risks. Neither Clients nor the companies in which Clients invest have any significant control over the pace of developments. Among other things, a company may fail to acquire or develop necessary technology or products, it may acquire the rights to or develop a technology or product that is rendered obsolete by other developments or its product or service may not prove to be commercially successful. Some industries may be subject to greater governmental regulation than other areas and changes in governmental policies and the need for regulatory approvals may materially and adversely affect these industries.

*Leverage; Interest Rates; Margin.* The use of leverage has attendant risks and can substantially increase the adverse impact to which Clients' investment portfolios may be subject. The use of leverage will allow Clients 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 Clients' portfolios. The effect of the use of leverage by Clients in a market that moves adversely to its investments could result in substantial losses to Clients, which would be greater than if Clients were not leveraged. In addition, any leverage used by Clients is subject to the risk that changes in the general level of interest rates may adversely affect expenses and operating results.

In general, any use by Clients of short-term margin borrowings results in certain additional risks. For example, should the securities pledged to brokers to secure the portfolio's margin accounts decline in value, the portfolio could be subject to a "margin call," pursuant to which the portfolio must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the portfolio's assets, the portfolio might not be able to liquidate assets quickly enough to pay off its margin debt.

In the futures and forward markets, margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits are indicative of the fact that any futures or forward contract trading is typically accompanied by a high degree of leverage. Low margin deposits mean that a relatively small price movement in a contract may result in immediate and substantial losses to the investor.

To the extent Clients purchase an option in the U.S., there is no margin requirement because the option premium is paid for in full. The premiums for certain options traded on non-U.S. exchanges may be paid for on margin. Whether any margin deposit will be required for over-the-counter options and other over-the-counter instruments, will depend on the credit determinations and specific agreements of the parties to the transaction, which are individually negotiated.

*Counterparty Risk.* Clients expect to establish relationships to obtain financing, derivative execution, derivative intermediation and prime brokerage services that permit Clients to trade in any variety of markets or asset classes over time. However, there can be no assurance that Clients will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit the Clients' trading activities, create losses, preclude Clients from engaging in certain transactions or prevent Clients from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on Clients' business due to Clients' reliance on such counterparties.

Clients may effect transactions in the "over-the-counter" or "OTC" derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, Clients enter into a contract directly with dealer counterparties, which may expose Clients to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, Clients may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if Clients had entered into contracts with multiple counterparties. Certain OTC derivative contracts require that Clients post collateral.

If there is a default by a counterparty, Clients under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of Client accounts being less than if Clients had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of the Clients' securities from such counterparty or the payment of claims therefor may be significantly delayed and Clients may recover substantially less than the full value of the securities entrusted to such counterparty. In addition, there are a number of proposed rules that, if they were to go into effect, may impact the laws that apply to insolvency proceeding and may impact whether Clients may terminate its agreement with an insolvent counterparty.

Collateral that Clients post to their counterparties that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such funds. In the event that a counterparty were to become insolvent, Clients may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

In addition, Clients may use counterparties located in jurisdictions outside the United States. Such local counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to Clients' assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on Clients and their assets. Investors should assume that the insolvency of any such counterparty would result in significant delays in recovering Clients' securities from or the payment of claims therefor by such counterparty and a loss to Clients, which could be material.

*Counterparty Fraud.* Of paramount concern in investments is the possibility of material misrepresentation or omission on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying an investment. The Adviser relies upon the accuracy and completeness of representations made by counterparties to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to Clients may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

*Counterparty Insolvency.* Clients' assets may be held in one or more accounts maintained for Clients by counterparties, including its prime brokers. There is a risk that any of such counterparties could become insolvent. The insolvency of Clients' counterparties is likely to impair the operational capabilities or the assets of Clients. Although the Adviser regularly monitors the financial condition of the counterparties it uses, if one or more of Clients' counterparties were to become insolvent or the subject of liquidation proceedings in the U.S. (either under the Securities Investor Protection Act or the U.S. Bankruptcy Code), there exists the risk that the recovery of Clients' securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

*Highly Volatile Markets.* The prices of derivative instruments, including currencies, futures and option prices, can be highly volatile. Price movements of derivative contracts in which Clients' portfolios' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Clients' portfolios are also subject to the risk of the failure of any exchanges on which its positions trade or of their clearinghouses.

*Competition; Availability of Investments.* The markets in which Clients may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced investment returns. There can be no assurance that the Adviser will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles and other investors may reduce the availability of investment opportunities. Competitive investment activity by other firms and institutions will reduce Clients' opportunities for profit by generally increasing prices on desired assets, reducing mispricings in the market as well as the margins available on those mispricings that can still be identified.

*Significant Positions in Securities; Regulatory Requirements.* In the event Clients acquire a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, Clients may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on Clients and the Adviser. Any such requirements may impose additional costs on Clients and may delay the acquisition or disposition of the securities or Clients' ability to respond in a timely manner to changes in the markets with respect to such securities.

In addition, "position limits" may be imposed by various regulators that may limit Clients' ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that Clients' position limits were aggregated with an affiliate's position limits, the effect on Clients and resulting restriction on its investment activities may be significant. If at any time positions managed by the Adviser were to exceed applicable position limits, the Adviser would be required to liquidate positions, which might include positions of Client accounts, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, Clients might have to forego or modify certain of its contemplated trades.

In addition, if Clients, acting alone or as part of a group, acquire beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the Securities Exchange Act of 1934, as amended, Clients may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances Clients will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

*Exposure to Material Non-Public Information.* From time to time, the Adviser may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, Clients may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

*Currency Exchange Exposure.* Clients may invest in securities denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. Clients, however, value their securities in U.S. dollars. Clients may or may not seek to hedge their non-U.S. currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that securities suitable for hedging currency or market shifts will be available at the time when Clients wish to use them, or that hedging techniques employed by Clients will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of Clients' positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. Such fluctuations may result in a loss for Clients.

Furthermore, Clients may incur costs in connection with conversions between various currencies. Non-U.S. currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to Clients at one rate, while offering a lesser rate of exchange should Clients desire immediately to resell that currency to the dealer. Clients will conduct its currency exchange transactions either on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-U.S. currencies. It is anticipated that most of Clients' currency exchange transactions will occur at the time non-U.S. investments are purchased and will be executed through the local broker or custodian acting for Clients.

*Non-U.S. Investments.* Clients invest their assets on a global basis, including in securities of non-U.S. companies which are traded in non-U.S. markets. Investing in the securities of companies in non-U.S. countries involves certain considerations not usually associated with investing in securities of U.S. companies or U.S. markets, including: political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain, other income or gross sale or disposition proceeds; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict Clients' investment opportunities. In addition, accounting and financial reporting standards that prevail in such countries generally are not equivalent to U.S. standards and, consequently, less information is available to investors in companies located in such countries than is available to investors in companies located in the U.S. There is also less regulation, generally, of the securities markets in such countries than there is in the U.S. As a result, Clients may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce Clients' rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to Clients under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

*Non-U.S. Exchanges.* Clients may trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and the CFTC and may, therefore, be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. securities may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

*Discretion of the Adviser; New Strategies and Techniques.* While the Adviser will generally seek to employ the representative investment strategies and techniques discussed herein, the Adviser has considerable discretion in the types of securities and sectors in which Clients may trade, and has the right to modify the investment strategies and techniques of Clients without the consent of investors. New 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 Clients. In addition, any new investment strategy or technique developed by Clients 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 Client accounts.

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

*Asset-Backed Securities.* Asset-backed securities are subject to interest rate risk and, to a lesser degree, prepayment risk. Asset-backed securities are subject to additional risks in that, unlike mortgage-backed securities, asset-backed securities generally do not have the benefit of a security interest in the related collateral. Each type of asset-backed security also entails unique risks depending on the type of assets involved and the legal structure used. In addition, asset-backed securities are subject to credit risk. There is also the possibility that recoveries on repossessed collateral may not be available to support payments on these securities because of the inability to perfect a security interest in such collateral.

*Commodity Futures and Options.* Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a pooled investment vehicle engaging in commodity futures trading. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to such a pooled investment vehicle. Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

*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.

*Distressed Securities.* Investments in unrated or low grade debt securities of distressed companies are subject to greater risk of loss of principal and interest than higher-rated debt securities. Distressed securities include those of a company currently in, or expected to be subject to, bankruptcy, restructuring, an operational turn-around or other similar events. There is substantial uncertainty concerning the outcome of transactions involving such issuers. In addition, evaluating credit risk for foreign debt securities involves

greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

*Emerging Markets.* There are greater risks associated with investments in securities of issuers located in less developed countries than investments in securities of issuers located in the U.S. and other developed markets. Political risk for many developing countries is a significant factor. During certain social and political circumstances, governments may be involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls. In comparison to more developed markets, trading volumes in emerging markets may be lower, which can result in a lack of liquidity and greater price volatility.

*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.

*Exchange Traded Funds ("ETFs").* ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of various sources of tracking error, including their expenses and a number of other factors.

*Fixed-Income and Debt Securities.* Investment in fixed-income and debt securities such as asset-backed securities, residential mortgage backed securities, commercial mortgage backed securities, investment grade corporate bonds, non-investment grade corporate bonds, loans, sovereign bonds and U.S. government debt securities and financial instruments that reference the price or interest rate associated with these fixed income securities subject a Client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. The Adviser may also invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Most fixed income instruments trade in over-the-counter transactions and lack the benefit of transparent exchange pricing. Bid and asks for these instruments are generally wider than equity securities, and trading is less frequent. These factors may cause distortions and/or volatility in the prices of fixed income-related instruments. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Forward Contracts.* The Adviser may engage in the trading of forward contracts, which are not traded on any exchange. Forward contracts are therefore not guaranteed by any exchange or clearinghouse and are subject to the creditworthiness of the counterparty of the trade. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread. The Adviser may trade forward contracts with only one or a few

counterparties, which may create more liquidity problems than if such arrangements were made with numerous counterparties. The risk of market illiquidity or disruption could result in major losses.

*Hard Assets.* The production and marketing of hard assets may be affected by actions and changes in governments. In addition, hard assets and hard asset securities may be cyclical in nature. During periods of economic or financial instability, hard asset securities may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various hard assets. In addition, hard asset companies may also be subject to the risks associated with extraction of natural resources as well as the risks of the hazards associated with natural resources, such as fire, drought, and increased regulatory and environmental costs. Hard asset securities may also experience greater price fluctuations than the relevant hard asset.

*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.

*Mortgage-Backed Securities.* Mortgage-backed securities are subject to credit risk associated with the performance of the underlying mortgage properties. Factors such as consumer spending habits, local economic and competitive conditions, tenant occupancy rates and regulatory or zoning restrictions, or the loss of a major tenant may adversely affect the economic viability of a mortgaged property. In addition, these securities are subject to prepayment risk and interest rate risk. Some securities have a structure that makes their reaction to interest rates and other factors difficult to predict, making their value highly volatile.

*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. One or more 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.

*Sovereign Debt.* The Adviser may invest in sovereign debt issued by governments, their agencies and instrumentalities either in the currency of their domicile or in a foreign currency. Investors in sovereign debt may be asked to participate in debt restructuring, including the deferral of interest and principal payments, and may also be requested by the issuer to extend additional loans. It is impossible to predict whether the strategies will be able to successfully avoid losses relating to sovereign default. There is no current means of collecting on defaulted sovereign debt as part of bankruptcy or other proceedings. In addition to general default risk relating to sovereign debt, if the Adviser invests in sovereign debt denominated in a currency other than the subscription currency (or in respect of which payments of principal or interest are paid in a currency other than the subscription currency) the Adviser will be exposed to the risk that one or more jurisdictions may impose currency controls that would limit the Adviser's ability to convert such payments of principal or interest to the subscription currency. It is impossible to predict whether any such currency controls will be imposed.

*REITs.* REITs in which the Adviser invests Client accounts are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITs depend generally on their ability to generate cash flow to make distributions to investors.

*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.

*Security Futures and Options.* In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the Client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

*Digital Assets.* The Adviser may invest in cryptocurrencies as well as digital tokens, coins or similar assets that are issued in respect of certain blockchain initiatives (collectively, "Digital Assets"). Ongoing and future regulatory actions by U.S. and foreign jurisdictions may have a materially adverse effect on the value of Digital Assets. For example, future regulatory actions or policies may limit the ability to exchange Digital Assets or utilize them for payments. Many Digital Assets operate using a "private key," which are a randomized set of numbers and/or letters that are similar to a password. The loss of a private key would lead to a complete loss of access to the corresponding Digital Assets. Digital Assets are an appealing target to hackers or malware distributors seeking to destroy, damage or steal Digital Assets. Digital Assets held in accounts at Digital Asset exchanges are not deposit accounts and these accounts are not insured by the Federal Deposit Insurance Corporation.

*LIBOR Affected Instruments.* The Adviser invests in debt securities, derivatives and other financial instruments, and employs investment strategies, that utilize the London Interbank Offered Rate ("LIBOR") as a "benchmark" or "reference rate" for various interest rate calculations. The United Kingdom Financial Conduct Authority, which regulates LIBOR, has announced a desire to phase out the use of LIBOR by the end of 2021. The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may have an adverse impact on the value of Client accounts. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition away from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, adversely impacting the performance of Client accounts.

### **Additional Risks Relating to the Adviser**

*Systems and Operational Risks.* 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 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 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 Client trading activities, liability under applicable law, regulatory intervention or reputational damage.

*Cybersecurity Risk.* The information and technology systems of the Adviser and of key service providers to the Adviser and 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 Client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

*Systemic Risk.* Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which Clients interact, as well as Clients, are all subject to systemic risk. A systemic failure could have material adverse consequences on Clients and on the markets for the securities in which Clients seek to invest.

*Assumption of Business, Terrorism and Catastrophe Risks.* Opportunities involving the assumption by Clients of various risks relating to particular assets, markets or events may be considered from time to time. Clients' portfolios are subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events and events that could adversely affect the health or life expectancy of people. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by Clients in assuming these risks and, depending on the size of the loss, could adversely affect the return of Clients.

*Effects of Health Crises and Other Catastrophic Events.* Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on Clients' investments and the Adviser's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for Client portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Adviser and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

## **Item 9. Disciplinary Information**

This item is not applicable.

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

Neither the Adviser nor any of the Adviser's management personnel have any relationships or arrangements that pose material conflicts of interest to the business of the Adviser.

The Adviser is registered with the Commodity Futures Trading Commission as a commodity trading adviser.

The Fund may enter into agreements, or "side letters," with certain prospective or existing Fund investors whereby such investors including such persons that may be affiliated with the Adviser or its related persons may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the Fund. For example, such terms and conditions may provide for special rights to make future investments in the partnership, other investment vehicles or managed accounts; special redemption rights, including those relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the and/or other terms; rights to receive reports from the Fund on a more frequent basis or that

include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Fund and such investors. The modifications are solely at the discretion of the Fund and may, among other things, be based on the size of the investor's investment in the Fund, an agreement by an investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an investor to the Fund.

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

**A. Code of Ethics.** 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 the Adviser's CCO by telephone at (646) 853-2660 or by email at [matiasmirvois@eagleeye.com](mailto:matiasmirvois@eagleeye.com). See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser

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. Supervised persons are prohibited from using their position at the Adviser to obtain an item of value from any person or company that does business with the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment which includes reporting of gifts and business entertainment in excess of certain de minimis thresholds.

The Adviser, in the course of its investment management and other activities, 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.

#### ***B. Client Transactions in Securities where Adviser has a Material Financial Interest.***

The Adviser does not expect to buy securities from or sell securities to a Client. To the extent the Adviser engages in such principal transactions, the Adviser will disclose to the Client in writing before the completion of the transaction the capacity in which the Adviser is acting with respect to this relationship, and will obtain the Client's consent to such transaction as required by Section 206(3) of the Investment Advisers Act of 1940, as amended.

To the extent an Account invests a portion of the Account's assets into the Fund, the Adviser will waive the Management Fee payable by the Account attributable to the assets of the Account invested in the Fund to avoid the Account being subject to duplicative fees.

#### ***C. Investing in Securities Recommended to Clients.***

The Adviser or its supervised persons invests in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a supervised person 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 Adviser's 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 Clients' trades). In addition to affecting the Adviser's or supervised persons 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 only certain limited offerings and initial public offerings in their personal accounts with the CCO, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its Clients. In addition, the Adviser's Code prohibits the Adviser or its supervised persons from executing personal securities transactions of any kind in any securities on a restricted securities list. 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 supervised persons are also required to provide at least quarterly brokerage statements to report their personal trading transactions. Trading in the personal accounts of the Adviser's supervised persons is reviewed by the CCO 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 supervised persons also recommends to Clients, such Clients' proxies will be voted according to predetermined guidelines rather than subject to the Adviser's (or its supervised person's) discretion. Please refer to Item 17 for further information regarding the Adviser's proxy voting policy and procedures.

***D. Conflicts of Interest Created by Contemporaneous Trading.*** The Adviser or a supervised person from time to time recommends securities to Clients, or buys or sells securities for Client accounts, at or about the same time that the Adviser or supervised person buys or sells the same securities for its own account. In order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser or its supervised person to the detriment of the Client, the Adviser has adopted the procedures described above.]In addition, the Adviser has adopted the aggregation policies and procedures discussed in Item 12.

## **Item 12. Brokerage Practices**

**A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.** 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 CCO will periodically evaluate the broker-dealers used by the Adviser to execute Client trades using the foregoing factors.

**1. Research and Other Soft Dollar Benefits.** The Adviser receives research or 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 CCO will periodically 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. To address these conflicts of interest, the Adviser will execute Client trades through broker-dealers that provide research and brokerage products to the Adviser only if it is determined by the CCO. of the Adviser that Client trades with such broker-dealers are otherwise consistent with seeking best execution.

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, 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 does not seek to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate.

As the Adviser expects to commence operations in the first quarter of 2021, the Adviser and its supervised persons have not acquired any products or services as a result of Client brokerage commissions (or markups or markdowns) within the Adviser's last fiscal year.

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 or by the Client in accordance with the Client's Investment Management Agreement or Governing Documents. 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.

The Adviser recommends that certain Clients use Schwab Advisor Services, a division of Charles Schwab & Co ("Schwab") for brokerage and custodial services. The Adviser has entered into an arrangement with Schwab pursuant to which Schwab provides brokerage, custodial and other services to certain of the Adviser's Accounts. Under this arrangement, Schwab provides, at no cost to the Adviser, products and services that benefit the Adviser, but some of which may not directly benefit Client accounts. These products and services include computer/software systems used for managing Client accounts; access to industry publications, market data and investment research; new and pricing services; back-office support; recordkeeping; and Client reporting. The Adviser's receipt of such benefits from Schwab presents a conflict of interest because it creates an incentive for the Adviser to recommend Schwab based on its interest in receiving the products and services from Schwab rather than the client's interest in obtaining the highest quality brokerage and custodial services. To address this conflict of interest, the Adviser will execute Client trades through Schwab only if it is determined by the Adviser that Client trades with Schwab is otherwise consistent with seeking best execution.

## ***B. Order Aggregation.***

The Adviser anticipates purchasing or selling the same security for more than one Client at or near the same time and using the same executing broker. It is the Adviser's practice, where appropriate, to aggregate Client orders for the purchase or sale of the same security submitted at or near the same time for execution using the same executing broker. The Adviser will also aggregate in the same transaction, the same securities for accounts where the Adviser has brokerage discretion. Such aggregation may enable the Adviser to obtain for Clients a more favorable price or a better commission rate based upon the volume of a particular transaction. The Adviser may not include a Client account in an aggregated order in certain circumstances, including when the client has placed a trading or investment restriction on the account precluding the account from participating in an aggregated order; or the account is subject to trade away fees charged by the custodian for using a broker other than the custodian to execute securities transactions and the Adviser determines that the imposition of such fees for participating in the aggregated order is disproportionate relative to the value of participating in the aggregated order.

When an aggregated order is completely filled, the Adviser will allocate the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order.

Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. To the extent an order is price-averaged, a Client account participating in the trade may pay a higher price than if the Adviser did not aggregate the order. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair to Clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Clients.

#### **Item 13. Review of Accounts**

**A. Frequency and Nature of Review.** Each Client account will be reviewed by the Adviser on an ongoing basis to determine whether securities positions should be maintained in light of current market conditions. Matters to be reviewed will include specific securities held, adherence to investment guidelines and the performance of each Client account.

**B. Factors Prompting a Non-Periodic Review of Accounts.** Significant market events affecting the prices of one or more securities in Client accounts, changes in the investment objectives or guidelines of a particular Client or specific arrangements with particular Clients may trigger reviews of Client accounts on other than a periodic basis.

**C. Content and Frequency of Regular Account Reports.** Fund investors will receive reports from the Fund pursuant to the terms of the Fund's offering memoranda. Each Account will receive account reports in accordance with the Investment Management Agreement of the Account.

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

The Adviser does not have any arrangements in place to compensate anyone or be compensated for the referral of Clients or Fund investors.

#### **Item 15. Custody**

This Item is not applicable.

#### **Item 16. Investment Discretion**

The Adviser will provide investment advisory services on a discretionary basis to Clients.

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

Unless otherwise instructed or directed by a discretionary Client, the Adviser will have 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 will submit an aggregated order to the Adviser's trading desk describing the allocation of securities to (or from) Client accounts for each trade/order submitted. 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; (viii) account liquidity, account requirements for liquidity and timing of cash flows; and (ix) amount of trade away fees or other transaction fees. Although it is the Adviser's policy to allocate investment opportunities to eligible Client accounts that have the same or substantially similar investment

objectives, strategies and restrictions 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. Even Client accounts that are typically managed on a pro rata basis may from time to time receive differing allocations of securities] based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Allocations will be made among Client accounts that have the same or substantially similar investment objectives, strategies and restrictions and are 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.

The Adviser may effect cross transactions between discretionary Client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two Clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. The Adviser will only engage in a cross transaction between Clients when the Adviser has determined that the cross transaction is in the best interest of each Client. Cross transactions between Client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless Client consent has been obtained based upon written disclosure to the Client of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA.

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. The Adviser has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy. In the event that a Client account incurs a trade error as a result of the Adviser's violation of the standard of care that is applicable to the Client account, the Adviser will reimburse the Client for losses attributable to such violation. Trade errors that do not result from the Adviser's violation of the standard of care applicable to the Client account are borne by the Client account. The Adviser is not responsible for the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by the Adviser.

#### **Item 17. Voting Client Securities**

To the extent the Adviser has been delegated proxy voting authority on behalf of its Clients, the Adviser will comply 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 its Clients. The Adviser generally will vote against proposals that make it more difficult to replace members of a board of directors. For all other proposals, the Adviser will determine whether a proposal is in the best interests of the Client and may take into account the following factors, among others: (i) whether the proposal was recommended by management and the Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

Clients 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 the CCO by email at [matiasmirvois@eagleeye.com](mailto:matiasmirvois@eagleeye.com) or by telephone at (646) 853-2660.

**Item 18. Financial Information**

This Item is not applicable.