

**Shannon River Fund Management LLC**

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This brochure provides information about the qualifications and business practices of Shannon River Fund Management LLC and its affiliated entities (collectively “**Shannon River**”). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer (“**CCO**”) Robert Zurl, at (212) 331-6555 or [rob@shannonpartners.com](mailto:rob@shannonpartners.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Shannon River can be found on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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This brochure has been updated to reflect the regulatory assets under management on the December 31st, 2019 audited financial statements. There were no additional material changes to this brochure since the last filing of the Form ADV in March 2019 although Shannon River has added more fulsome disclosure consistent with the governing documents for its clients and its compliance manual.

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#### **Item 4: Advisory Business**

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Shannon River Fund Management LLC is a registered investment adviser with the SEC and was founded in 2003 by its managing member, Spencer Waxman.

Shannon River Fund Management LLC, Doonbeg Global Management LLC and Shannon River Global Management LLC (collectively “**Shannon River**”, the “**Adviser**”, “**we**”, “**us**” “**our**” or the “**Firm**”) are the investment advisers to private pooled investment vehicles via master feeder structures and separately managed funds (each a “**Private Fund**” and collectively the “**Private Funds**”). Shannon River is also a sub-advisor to a Luxembourg UCITS product and an Irish UCITS product (each, a “**UCITS Fund**”). Shannon River may in the future manage other pooled investment vehicles or accounts (including separately managed accounts).

Shannon River Capital Management LLC, Doonbeg Capital Management LLC, Doonbeg Fund Management LLC, Doonbeg Global Management LLC and Shannon River Global Management LLC operate in the course of the Firm’s investment management business as though they are registered investment advisers and are deemed “Relying Advisers” pursuant to the January 18, 2012 no-action letter issued by the SEC staff to the American Bar Association. As such, each “Relying Adviser” has completed a separate Schedule R on the Form ADV Part 1a.

Shannon River provides investment management services to the Private Funds based upon specific investment objectives and strategies. The Private Funds are managed in accordance with their own objectives and are not tailored to any particular private fund investor (each an “Investor” and collectively “Investors”). The Private Funds generally invest in long and short equity securities, focused on sectors which include technology, media and telecommunications. The primary objective of the Funds is to achieve capital appreciation while carefully managing risk and market exposure.

As a sub-adviser to the UCITS Funds, Shannon River employs substantially similar investment strategies as it uses for the Private Funds, while taking into account the greater need for position liquidity caused by regulations applicable to the UCITS Funds and certain investment guidelines and/or restrictions applicable to such clients. Such investment guidelines and/or restrictions may be negotiated with respect to each sub-advisory client, and are set forth in their respective governing agreements.

As of December 31, 2019, Shannon River managed Regulatory Assets under Management (“RAUM”) of approximately US \$861,144,334 on a discretionary basis. Shannon River does not manage any assets on a non-discretionary basis.

#### **Item 5: Fees and Compensation**

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##### *Private Funds:*

Fees and compensation are described in the advisory contracts we enter into with each Private Fund, as well as in the applicable offering memorandum for each Private Fund. The below is intended as a summary, and prospective Investors should refer to the offering documents for the Private Fund or Private Funds in which they are considering investing for a more complete description.

Shannon River generally charges each Private Fund (without duplication for Investors in a master-feeder structure), a quarterly management fee at an annual rate of 1.5% or 2% of the net

assets of the Private Fund. Management fees are generally deducted from client accounts each quarter in advance based on the total market value of the assets in the applicable Private Fund's accounts (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the first day of the quarter. The management fee will generally be prorated for additions to and withdrawals from a Private Fund during a particular quarter. The management fee accrues monthly. Affiliates of the Firm also generally charge each Private Fund (without duplication for Investors in the master-feeder structure) performance compensation equal to 20% of the increase in net asset value of the applicable Private Fund, subject to a high water mark. Generally, such affiliates receive performance-based fees or allocations from client accounts on an annual basis in arrears and upon redemptions by Investors with respect to such Investors.

Our and our affiliates' fees and compensation with respect to the Private Funds are generally non-negotiable but do vary amongst the Private Funds and within each Private Fund. We retain the right to waive or reduce fees, or charge different fees, with respect to Investors.

#### *Sub-Advisory Clients:*

Shannon River's compensation with respect to each sub-advisory client is negotiated with each such client's adviser and set forth in the governing agreement between us.

#### **Expenses**

Shannon River's clients will generally be obligated to pay certain fees and expenses of, and pertaining to, the applicable client.

Without limiting the foregoing, the Private Funds shall pay for their organizational and initial offering expenses as well as for their management and operating expenses, may include in some or all instances, any and all research fees, interest on margin accounts, legal, accounting and professional fees, borrowing charges on securities sold short, custodial fees, trustee's fees, brokerage commissions, bank service fees, interest on loans and debit balances, any taxes applicable to the Private Funds on account of its operations, fees paid to its custodian, administrator and registrar and transfer agent, and any and all reasonable expenses related to its management and operation (including research and/or due diligence related travel, governmental fees, directors fees, consulting fee and its allocable share of liability insurance expenses) as well as the purchase, sale or transmittal of Private Fund assets. If the Private Fund is part of a master fund structure, it is also responsible, as an investor such master fund, for its pro rata share of the master fund's (and any other vehicle's) operating and overhead expenses. For further details on the Firm's brokerage practices refer to Item 12 of this brochure.

#### **Item 6: Performance-Based Fees and Side-By-Side Management**

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As referenced in Item 5 above, an affiliate of the Firm receives an annual performance allocation with respect to the Private Funds that is calculated based upon a percentage of the net capital appreciation of the relevant Private Fund. The performance allocations are charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

As the management fees and performance-based fees/allocations for each client are based directly on the net asset value of such client, Shannon River has a conflict of interest in valuing client assets. Shannon River will follow its documented valuation policies in order to mitigate this risk.

Performance-based fee arrangements may create an incentive for Shannon River to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. We have policies and procedures in place which are intended to ensure that all clients are treated fairly and equitably. (See Item 12 with respect to allocation of investment opportunities).

## **Item 7: Types of Clients**

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Investors in the Private Funds are generally high net worth individuals and institutional investors that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and, for certain of the Private Funds, “qualified purchasers” (as defined under the 1940 Act). The initial and additional subscription minimums for each Private Fund are disclosed in the offering documents for the Private Fund.

The qualifications for investors in funds for which Shannon River acts as a sub-adviser are as set forth in the applicable fund’s offering documents (e.g., the UCITS Funds are generally designed for non-U.S. investors).

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

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### ***Methods of Analysis & Investment Strategy***

#### ***Private Funds:***

In managing the Private Funds, we adopt a sector specific long/short equity investment strategy, focused on Technology, Media and Telecommunications. The Private Funds’ objectives are to provide significant capital appreciation via exposure to our focus sectors with an overlay of sound risk management.

Our investment strategy involves identifying and analyzing, significant technology trends and seeking companies that we believe are well positioned to build shareholder value over a realistic timeframe. We perform extensive and ongoing industry and company due diligence which may include meetings and discussions with senior and middle management, customers and partners, and attendance at industry as well as investor events. We endeavor to maintain a disciplined value approach with a focus on asset value and cash generation potential.

We seek significant capital appreciation while seeking to carefully manage risk and mitigate market exposure. Careful discipline is sought with respect to portfolio beta, position concentration and portfolio liquidity.

Companies that are priority investment opportunities may share some of the following characteristics:

- They are trading at compelling valuations;
- They have a core management team with proven success in related businesses;
- They have a recurring revenue and customer bases from which to grow;
- They have strong industry reputations and the potential to achieve leadership positions in their industries;

- They are situated in markets that have high growth potential and significant barriers to entry; and
- They are restructuring/divesting money from losing businesses to focus on core operations.

Although the Private Funds have a long bias, there may be periods in which we believe that the securities of companies in the industries it follows are dramatically over-priced. During such periods, it may become more difficult to find new investments at valuations we believe are reasonable. Accordingly, the percentage of assets invested in equities may decline, and we may become more aggressive in hedging the Private Funds' portfolio by shorting individual equities, exchange traded tracking stocks, and possibly stock index futures. Factors that we may consider when identifying short opportunities for the Private Funds' portfolios include overextended valuations relative to earnings potential, increasing balance sheet risk, unfavorable marketplace developments for a company's products, management instability, customer concentration, extreme speculative market moves, or the emergence of deteriorating industry-wide or competitive conditions.

We will employ more leverage for certain Private Funds than for others in attempting to achieve our objective.

The descriptions contained herein of specific strategies that are or may be engaged in by Shannon River should not be understood as in any way limiting our activities. We may engage in trading strategies that are not described herein, but that we consider appropriate, consistent with our overall objective.

Our trading program is speculative and may entail substantial risks. (See "*Risk Factors*" below).

#### *Sub-Advisory Clients:*

For the UCITS Funds, Shannon River employs substantially similar investment strategies as it uses for the Private Funds, while taking into account the greater need for position liquidity caused by regulations applicable to such clients and certain investment guidelines and/or restrictions applicable to such clients. Such investment guidelines and/or restrictions with respect to the sub-advisory clients may cause differences from the summaries set forth in this Item 8. Such clients are advised to refer to their advisory contracts with Shannon River for details concerning their particular investment.

#### ***Risk Factors***

An investment in each Private Fund or other account is speculative and involves a high degree of risk. There can be no assurance that the investment objectives of any Shannon River client will be achieved or that an investment with Shannon River will generate positive returns for any client.

The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks generally involved in our investment strategies. Prospective investors are urged to consult their professional advisers and review the legal documents for the applicable client accounts (including the risk factor section in the offering memorandum for the Private Funds) before deciding to make an investment.

- Certain investments for the Private Funds may be very illiquid, and may not be able to be sold at prices that reflect our assessment of their value. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of certain investments, especially those in financially distressed companies, may require a long holding period prior to profitability.
- The Private Fund will frequently require longer-term holding periods for its positions in order to be successful and positions may experience considerable price volatility over such holding periods. An investment in the Private Fund, therefore, may not be appropriate for Investors requiring short-term liquidity or stable returns.
- Our investment program involves entering into transactions known as “short sales,” in which a client account sells a security it does not own in anticipation of a decline in the market value of the security. Short sales that are not made “against the box” theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Under adverse market conditions, it may be difficult or impossible to purchase securities to meet short sale delivery obligations. Furthermore, a client account might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.
- We may invest in derivative instruments. Derivative instruments, or “derivatives,” include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, financial assets, currencies or indices. Derivatives allow an Investor to hedge or speculate upon the price movements of a particular security, financial benchmark, financial asset, currency or index at a fraction of the cost of investing in the underlying asset. We may seek to acquire derivatives for these and other reasons. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading, including liquidity risk and counterparty risk. We may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, and additional risks may result.
- We may invest in foreign securities. Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and certain foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; and (iv) the extension of credit, especially in the case of sovereign debt.
- Our investment program involves borrowing funds in order to make additional investments, which increases both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the investments would be amplified.



Interest on borrowings will be a portfolio expense of the client accounts and will affect the operating results of the client accounts. Investing in options and other derivatives provides significantly more market exposure than investing directly in the underlying asset. Accordingly, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose the client accounts to the possibility of a loss exceeding the original amount invested. In addition, the value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof.

- Our investment program will not generally be diversified among a wide range of types of securities, countries or industries. Accordingly, the investment portfolio of the client accounts may be subject to more rapid changes in value than would be the case if the client accounts maintained a wide diversification among types of securities and other instruments and countries and industries. In addition, in certain transactions, a client account may not be “hedged” against market fluctuations or, in reorganization or liquidation situations, may not accurately value the assets of the subject company or the degree of legal and regulatory risk, thereby resulting in losses for a client account.
- We may leverage investment positions by borrowing funds from securities broker-dealers, banks or others. While leverage presents opportunities for increasing the total return on an investment, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the client account(s) would likely be magnified to the extent that any of them are leveraged.
- The ongoing occurrence of the coronavirus, and any possible recurrence of other similar types of epidemics, pandemics or other widespread public health problems, could adversely affect the performance of Private Funds. For example, in late 2019, an outbreak of the Coronavirus (COVID-19) was identified in China, and over the course of weeks spread globally. On March 11, 2020, the World Health Organization assessed that the COVID-19 outbreak can be characterized as a pandemic and President Trump declared a 30 days’ travel ban on most European countries. Earlier in March 2020, governors of New York, California and other U.S. States declared a State of Emergency for their respective states.

The Coronavirus pandemic has resulted initially in the temporary closure of many corporate offices, retail stores, and manufacturing facilities and factories across China and has thereafter resulted similar adverse impacts in the United States and other markets across the globe. As the potential impact on global markets from the coronavirus, or future epidemics, pandemics or other health crisis, is difficult to predict, the extent to which any such crisis may negatively affect the performance of Private Funds or the duration of any potential business disruption is uncertain. Precautions or restrictions imposed by governmental authorities and public health departments related to the Coronavirus are expected to result, any such other health crisis may result, in undeterminable periods of decreased economic activity throughout the U.S. and globally, including reduced or ceased business operations, decline international trade, and shortages of supplies, goods and services. An epidemic or pandemic outbreak and reactions to such an outbreak are expected to cause uncertainty in the markets and businesses and may adversely affect the performance of the U.S. or global economy, including due to market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees to work at external locations and extensive medical absences among the workforce. An epidemic or pandemic outbreak

may also lead to an increase in budgetary spending to respond to the spread of an infectious disease and significant policy changes which could have an unfavorable impact on the U.S. or global economy. It is difficult to predict accurately the impact of any large epidemic or pandemic, and because an epidemic or pandemic may create significant market and business uncertainties and disruptions, not all events can be determined and addressed in advance.

Any potential impact on performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the coronavirus or other health crisis, and the actions taken by authorities and other entities to contain such crisis or treat its impact, particularly in the United States, all of which are beyond the control of Shannon River.

- Various force majeure events, including acts of God, natural disasters like fire, flood or earthquakes, wars, terrorist acts, outbreaks of infectious disease, epidemics, pandemics or other serious public health concerns, cyber-attacks, technology and/or power failures, labor strikes, or geopolitical or other extraordinary, or other unforeseen circumstances or events, may materially disrupt Shannon River's business and operations, or the business and operations of any counterparty or service provider to Shannon River or Private Funds, and the Private Funds may be adversely affected thereby. For example, if a significant number of Shannon River's personnel were to be unavailable in a force majeure event (such as war, terror attack or an outbreak of infectious disease), Shannon River's ability to effectively conduct business could be severely compromised. In addition, the cost to Private Funds and/or Shannon River of repairing or replacing damaged assets or systems resulting from such force majeure event could be considerable. While Shannon River has adopted certain policies and procedures designed to restore and/or continue Shannon River's business and operations in such situations, there is no guarantee that such policies and procedures will be effective in any of such situations or will be implemented in time, and the Private Funds may be adversely affected thereby. See also "Coronavirus and Global Health Events" and "Systems Risks".
- Private Funds may trade in different markets and different kinds of instrument types. It is possible that as a result of war, terrorist act, natural disaster, outbreak of infectious disease, epidemic, pandemic or other serious public health concern, or geopolitical or other extraordinary or unforeseen circumstance or event (a "**Market Disruption Event**"), one or more of these markets may cease operating for a limited or indeterminable period of time. In that event, it may be difficult for Shannon River to value the positions that trade in the affected markets, and Private Funds may be exposed to significant movements in the perceived value of instruments without having the ability to trade those instruments.

Additionally, Market Disruption Events may have a substantial effect on economies and securities markets in the U.S. or worldwide, and could materially adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of the Private Funds investments. Market Disruption Events could also affect the principal prime brokers and custodians that carry and clear the trades and positions of Private Funds. The inability of key marketplace intermediaries to function could have an adverse impact upon liquidity as well as the ability of Shannon River to trade positions on behalf of. Market Disruption Events could also have a direct physical impact upon Private Funds' and/or Shannon River's operations, including the destruction of their

facilities and/or incapacity or loss of life to key personnel.

While Shannon River has taken steps intended to mitigate the adverse consequences that could arise from the occurrence of a Market Disruption Event, the inability to predict the timing, location, source and severity of such event or events make it difficult to provide assurances that Private Funds would not suffer material adverse consequences should a Market Disruption Event occur.

#### **Item 9: Disciplinary Information**

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Neither we nor any of our management personnel are subject to, or have in the past been subject to, any criminal or civil action in any domestic or foreign court, and neither we nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority or self-regulatory authority.

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

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As stated in Item 4, Shannon River Capital Management LLC, Doonbeg Capital Management LLC, Doonbeg Fund Management LLC, Doonbeg Global Management LLC and Shannon River Global Management LLC are considered “Relying Advisers” pursuant to the January 18, 2012 no-action letter issued by the SEC staff to the American Bar Association.

The management of the Private Funds and other Shannon River clients may result in conflicts of interests when Shannon River and our related persons allocate their time and investment opportunities among such clients. In addition, the compensation earned by Shannon River and our related persons from each of its Private Funds or other clients may differ from one another and from other Private Funds or clients. Shannon River and its related persons will generally follow documented procedures in allocating investment opportunities among its clients (see Item 12 below).

Spencer Waxman (and/or other related persons) may have a greater portion of his personal assets invested in certain Shannon River clients than in the others. As a result, Shannon River may have a conflict of interest in allocating investment opportunities among its clients. Shannon River will generally follow documented procedures in allocating trades among its clients. (See Item 12.)

To the extent that any expenses are incurred by Shannon River on behalf of more than one of its clients, Shannon River will allocate such expenses as it deems appropriate and consistent with the applicable governing agreements for the Private Funds or advisory contracts for its other clients.

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

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##### ***Participation or Interest in Client Transactions***

We serve as the investment adviser to the Private Funds and a sub-advisor to the UCITS Funds. Employees, affiliates of the employees, and relatives of the employees may make investments in such clients.

Shannon River's employee investment policy requires that employees pre-clear all trade requests with the CCO. Depending upon the analysis of the CCO, an employee's request to trade a particular security may either be approved or declined. Should the CCO determine that a conflict does not exist with respect to an employee's request to trade in a sector or security, the CCO may provide approval for an employee to make a personal investment in a security in which the Firm invests, or has in the past invested, its clients' assets. A potential conflict of interest could arise should such an employee be in a position to trade in a manner that could adversely affect Shannon River's clients (e.g., by placing its own trades before or after client trades are executed in order to benefit from any price movements due to the client trades). In addition to affecting the person's objectivity, these practices could potentially harm clients by adversely affecting the price at which the client trades are executed.

Shannon River's preapproval requirement for all employee personal trading requests is aimed at mitigating this potential conflict of interest. We have adopted this pre-clearance policy in an effort to minimize such conflicts.

The Firm, its principals and employees do not purchase or sell any securities for their own accounts to or from its clients. However, subject to investment guidelines and restrictions applicable to the Private Funds, we may effect rebalancing or internal cross transactions between the Private Funds. In such cases, one Private Fund will purchase securities held by another Private Fund. We intend to effect these transactions at all times in a manner which is consistent with our valuation policy and procedures. We effect these transactions based on the closing price of the security on the last business day of the month or, in certain cases, upon the prevailing market price.

Neither the Firm nor any related party receives any compensation in connection with these rebalancing transactions. To the extent that such transactions could be viewed as principal transactions due to the ownership interest in a Private Fund by the Firm and its personnel, Shannon River complies with the requirements of Section 206(3) of the Advisers Act. In particular, (i) for any Private Fund, the Review Committee Spencer Waxman and one of the two independent directors of certain Private Funds would be required to approve such principal transaction and (ii) for any UCITS Fund, the consent of such client would be required.

### ***Code of Ethics and Personal Trading***

We have adopted a Code of Ethics and an Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which our employees or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics and Employee Investment Policy is based on the following underlying fiduciary principles:

- Employees must at all times place the interests of the clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics and Employee Investment Policy; and
- Employees should not take inappropriate advantage of their position at Shannon River.

All Shannon River employees are deemed to be "Access Persons" and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence

to the Code of Ethics and Employee Investment Policy upon commencement of employment and quarterly thereafter.

In general, employees (and members of their immediate households) are permitted to invest in equities, options or futures but must obtain written pre-approval from the CCO. The spirit of the Code of Ethics and the Employee Investment Policy is to discourage frequent trading in employee personal accounts.

This policy does not apply to transactions involving government securities or open-end mutual funds, ETFs or other instruments which afford the Investor no discretion over individual securities transactions.

All Shannon River employees must direct their brokers to send duplicate copies of trade confirmations and brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or receiving an allocation of an Initial Public Offering (“**IPO**”).

#### ***Insider Trading Policies and Procedures***

Shannon River maintains Insider Trading policies and procedures (the “**Insider Trading Policies**”) that are designed to prevent the misuse of material, non-public information. Among other things, such policies seek to control and monitor the flow of inside information to and within Shannon River, as well as prevent trading based on inside information. On a periodic basis, our employees are required to certify to their compliance with the Compliance Manual, Code of Ethics and Employee Investment Policy, including the Insider Trading Policies.

Our Code of Ethics and Employee Investment Policy is available to clients upon request.

#### ***Privacy Policy***

We are committed to maintaining the confidentiality, integrity and security of our Investors’ personal information and we maintain a privacy policy which is distributed to our Investors in our Private Funds on an annual basis.

It is our policy to collect only information necessary or relevant to our management business and use only legitimate means to collect such information. We do not disclose any non-public personal information about our Investors or former Investors to anyone except for servicing and processing transactions and as required by law. We restrict access to non-public personal information about Investors to those employees with a legitimate business need for the information. We maintain security practices, physical, electronic, and procedural safeguards to guard Investor’s non-public personal information.

Upon request, we will provide you with a copy of our privacy policy.

#### **Item 12: Brokerage Practices**

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As an adviser, a sub-advisor and a fiduciary, we require from our employees that our clients’ interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the clients’ favor. We have adopted the following

policies and practices to meet the Firm's fiduciary responsibilities and to ensure our trading practices are fair to all clients and that no Private Fund or other client account is advantaged or disadvantaged over any other.

### ***Aggregation***

The aggregation or blocking of client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients. Our policy is to aggregate client transactions where possible and when advantageous to the clients. In these instances, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

### ***Allocation***

Our policy prohibits any allocation of trades in a manner that results in more favorable treatment for our proprietary accounts, affiliated accounts or any other client.

We have adopted a policy for the fair and equitable allocation of investments that generally analyzes each trade, taking into consideration the specifics of each investment and each client (including, without limitation, specifics described herein). As a general matter, subject to such consideration, investment opportunities will be allocated among clients that employ the same or substantially similar investment strategies. Such opportunities are generally allocated on a pro rata basis (based upon asset size, as adjusted by leverage) when possible, unless facts specific to the transaction and/or client warrant an alternative allocation.

As mentioned above, factors such as the following (but not limited to the following) will be considered when allocating investments among client accounts (and potentially on a non-pro rata basis): the investment strategy (including concentration guidelines) of each client; any regulatory, contractual or investment restrictions and/or other limitations or instructions of each client; the relative amounts of capital available for new investments of the type at issue; Shannon River's perception of the appropriate risk/reward ratio for each client; current positions in the applicable security in each client account; the liquidity of each client account at the time of investment and thereafter; applicable tax considerations; the availability of the investment opportunity and the nature of the investment opportunity taken in the context of other available investment opportunities; and the overall portfolio composition of each client account.

These areas are monitored by the CCO.

### ***Best Execution***

As an investment advisory firm, we have a fiduciary duty to seek best execution for client transactions. In choosing brokers and dealers and negotiating commission rates, Shannon River will seek "best execution" taking into account such factors as it determines to be relevant, which will include, without limitation, some or all of the following: the financial stability and reputation of a brokerage firm; the brokerage, research and related services provided by such brokerage firm (including the ability of the firm to effect prompt and reliable executions at favorable prices); the operational efficiency with which transactions are effected by such brokerage firm; such brokerage firm's risk in positioning a block of securities; and the referral of investors. For the most part, Shannon River seeks the best combination of brokerage cost and execution quality. However, Shannon River is not required to solicit competitive bids or seek the lowest available commission cost or spread available.

The CCO will ensure that brokerage is periodically reviewed for best execution.

### ***Soft Dollars***

We currently use “soft dollars” generated by our trading activities to purchase research services or products that would otherwise have been an expense of Shannon River. We intend to keep any research activities and products that are related to such arrangements within the parameters of Section 28(e) of the United States Securities Exchange Act of 1934, as amended.

Such research and research-related products and services may include, without limitation: written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; discussions with research personnel; access to events hosted by brokers; financial publications; and statistical and pricing services along with hardware, software, databases and other technical and telecommunication services, lines and equipment utilized in the investment management process (including, without limitation, order management systems) and any updates, improvements, repairs and replacements thereto.

Brokers may suggest a level of business they would expect to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but may also exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

Such soft dollar benefits may be used to service all of Shannon River’s clients and not just those that paid for the benefits. It is anticipated that any soft dollar benefits received by Shannon River will be applicable to all clients (i.e., all Private Funds and the UCITS Funds), since they generally utilize very similar strategies.

### ***Services from Prime Brokers***

Shannon River’s prime brokers provide Shannon River with front and back office services, including trading, securities lending, clearing, reporting, and settlement for equities and other financial instruments. Shannon River’s prime brokers may also provide Shannon River with capital introduction and talent recruitment services.

### ***Brokerage for Client Referrals***

Shannon River may direct client transactions to brokers who refer investors to Shannon River, but only consistent with best execution. Because such referrals, if any, are likely to benefit Shannon River but will provide an insignificant (if any) benefit to clients, Shannon River will have a conflict of interest with its clients when allocating client brokerage business to a broker who has (or whose affiliates have) referred investors to a Private Fund. To prevent client brokerage commissions from being used to pay investor referral fees, Shannon River will not allocate client brokerage business to a referring broker unless Shannon River determines in good faith that the services provided by such broker are in line with the Firm’s obligation to seek best execution.

### ***Trade Errors***

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the clients. In the event any error occurs in the handling of any client transactions, due to our actions, or inaction, or actions of others, our policy is to correct the trade error

promptly and to resolve the trade error so as to avoid incurring a loss to the client. Subject to applicable law, we will reimburse clients for net losses that occur to the extent that it is required to do so under the governing agreements for such Private Fund or advisory contract for such client.

### **Item 13: Review of Accounts**

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#### ***Review of Accounts***

We review the Private Funds' and sub-advisory clients' accounts on a continual basis to assure conformity with investment objectives and guidelines. We engage in active management for our clients and we review our transactions, positions and cash balances on a daily basis.

#### ***Reporting***

We will distribute an audited financial report for each Private Fund with respect to the previous fiscal year to all Investors in such Private Fund within 120 days of fiscal year-end. In addition, each Private Fund will generally distribute net asset value updates and performance reports on a monthly basis.

In addition, investors may be provided with information (including, without limitation, position level information, counterparty exposure, and fund liquidity) about Shannon River and the Private Funds in response to questions and requests, and/or in connection with due diligence meetings or other communications, but such information will not be distributed to other investors and prospective investors who do not request such information. Each investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by Shannon River is sufficient for its needs.

Shannon River furnishes reports to each sub-advisory client as agreed to with such client.

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

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We may compensate, either directly or indirectly, persons for client referrals or referrals of Investors in the Private Funds.

From time to time, we may enter into written agreements with third parties who solicit potential Investors or clients on behalf of us. If applicable, such agreements will comply with Rule 206(4)-3 under the Advisers Act and other applicable requirements of the Advisers Act and applicable state securities law requirements. Typically, with respect to the Private Funds, compensation under those agreements consists of a percentage of certain of the investment management fees we collect with respect to Investors in a Private Fund who become an Investor as a result of the solicitor's efforts. Generally, Investors in a Private Fund are not responsible for any part of the compensation that solicitors receive from us or our affiliates, and we generally do not charge Investors introduced by such solicitors any higher fee or any additional amount as a result of obligations to pay such solicitors for their solicitation services.

### **Item 15: Custody**

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We will comply with the requirements of the Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) with regards to Shannon River’s custody of the client assets. We are deemed to have custody of the Private Funds’ assets and securities because we have the authority to obtain funds or securities, for example, by deducting advisory fees from a Private Fund’s account or otherwise withdrawing funds from a Private Fund’s account.

We do not expect to be required to comply (or expect to be deemed to have complied) with certain requirements of the Custody Rule with respect to each Private Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Private Fund be subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Private Fund distribute its audited financial statements to all investors in such Private Fund within 120 days of the end of its fiscal year.

#### **Item 16: Investment Discretion**

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We generally have discretionary authority to determine, without obtaining specific consent, securities to be bought or sold, the amount of securities to be bought or sold, broker-dealer to be used and the commission rates paid. With respect to the Private Funds, any limitations on authority are included in each Private Funds’ investment management agreement, or governing documents, as applicable. Clients who have engaged Shannon River as a sub-adviser may place certain investment guidelines and/or restrictions on Shannon River’s ability to trade with respect to such sub-advisory accounts.

#### **Item 17: Voting Client Securities**

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Shannon River generally has voting discretion over securities held in the clients’ accounts. Clients are generally not able to direct their votes in a particular situation. Shannon River will vote proxies when it deems it necessary and material to its clients’ interests.

If Shannon River deems that the issue being voted upon is not material for the applicable client, Shannon River will not be obligated to vote on such matter.

Shannon River may, in its discretion, retain a third party to assist it in coordinating and voting proxies with respect to client securities. If so, the Shannon River will monitor the third party to assure that all proxies are being properly voted and appropriate records are being retained.

Shannon River will identify any conflicts that exist between the interests of Shannon River and its clients in connection with any proxies to be voted by Shannon River on behalf of its clients. This examination will include a review of the relationship of Shannon River and its affiliates with the issuer of each security and any of the issuer’s affiliates to determine if the issuer is a client of Shannon River or an affiliate of Shannon River or has some other relationship with Shannon River or a client of Shannon River. Such conflicts may arise, for example, from the following relationships: (i) the issuer is an investor in a fund or account managed by Shannon River; (ii) the issuer has a material business relationship with Shannon River; (iii) the proponent of a proxy proposal has a business relationship with Shannon River (e.g., the proponent is a pension plan for which Shannon River manages money); (iv) Shannon River has material business relationships with candidates for director in a proxy contest; or (v) an employee of Shannon River has a personal interest in the outcome of a particular matter. This list provides

examples of possible conflicts of interest and is not meant to be comprehensive. Each employee must notify the Shannon River of any potential conflicts of interest of which he or she is aware.

If Shannon River is authorized to vote a proxy with respect to an issuer or a person or entity with respect to which Shannon River has identified a conflict of interest, Shannon River will abstain from such vote.

To the extent that Shannon River has discretion to participate in class action lawsuits filed against companies or issuers in which its clients are invested, Shannon River will generally participate in such class action lawsuits unless it believes that such participation is not in the best interest of its clients.

Upon request, we will provide clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by the such client.

#### **Item 18: Financial Information**

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Shannon River has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.