

# Trinity Alps Capital Partners, LP

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Trinity Alps Capital Partners, LP (“TACP”). If you should have any questions about the contents of the Brochure please contact us at (415) 677-5880. The information in this Brochure has not been approved or verified by the United State Securities and Exchange Commission (“SEC”) or by any state securities authority.

This Brochure is not: 1) an offer or agreement to provide advisory services to any person; 2) an offer to sell interests (or a solicitation of an offer to purchase interests) in any investment vehicle; 3) a complete discussion of the strategies, risks, or conflicts of interest associated with any investment vehicle; or 4) to be relied upon in determining whether to invest in an investment vehicle or receive advisory services from TACP. The information provided in the Brochure about any investment vehicle or strategy offered by TACP is qualified in its entirety by reference to the relevant investment vehicle’s documentation or an investment management agreement, as applicable.

TACP is a registered investment adviser with the SEC. Registration as an investment adviser does not imply any level of skill or training.

Additional information about TACP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 – MATERIAL CHANGES AND GENERAL INFORMATION

This Brochure provides updates to our initial Brochure filing dated October 18, 2019. In addition to updating facts and figures relating to TACP and clarifying certain language, the following summarizes material changes made within this update:

Items 4, 5, 7, 8 and 10: TACP has added disclosure regarding its new private investment business, which commenced business in March 2020.

## ITEM 3 -

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## ITEM 4 – ADVISORY BUSINESS

### Structure, History and Ownership

TACP is a Delaware limited partnership formed in 2016 and has its principal place of business in San Francisco, CA. TACP is controlled by its General Partner, Blackfoot River Partners, LLC, an entity whose founder and managing member is Raj D. Venkatesan. Mr. Venkatesan is also TACP's Portfolio Manager. Sigurd Strack joined TACP in February 2020 and serves as TACP's Portfolio Manager with respect to Private Investments (as defined below).

### Types of Advisory Services

TACP provides investment advisory services involving two different asset classes: (1) equity and equity-related securities that are publicly traded on global markets, including emerging markets (collectively, "Public Investments"), and (2) private investment funds ("Private Funds") and other private equity assets (together with Private Funds, "Private Investments").

#### Public Investments

TACP provides advice with respect to Public Investments to the Trinity Alps Global Focused Fund LP (the "Trinity Global Fund") and certain other institutional investors via separate account structures ("Public Investment SMAs" and together with the Trinity Global Fund, the "Public Investment Clients"). The Trinity Global Fund is a private fund that TACP organized and that it offers to multiple investors. TACP does not offer interests of the Trinity Global Fund to the public. The Trinity Global Fund is only offered in private placements to qualified investors. Details relating to the terms of the Trinity Global Fund, including important risk considerations, are provided to prospective investors via the Trinity Global Fund's organizational documents and related offering memorandum.

TACP's Public Investment Clients invest principally in equity and equity-related securities that are publicly traded on global markets, including emerging markets. In addition to common stock, such clients invests in other types of securities including preferred stock, warrants, options, futures, swaps, exchange traded funds and other derivative and cash-equivalent instruments.

The primary strategy TACP offers via the Trinity Global Fund and for Public Investment SMAs is an opportunistic global equity long-only strategy (or "Global Focused Strategy") invested in typically between 20 to 35 equity positions. The primary objective of the Global Focused Strategy is to outperform the MSCI All-Country World Index ("ACWI") while maintaining reasonable market volatility and low correlation to indices and the strategies managed by other institutional managers. TACP identifies long investments through a rigorous bottom-up fundamental research process. TACP invests across both structural and cyclical opportunities, though we remain biased to structural opportunities over time.

The Global Focused Strategy is described in additional detail below in Item 8 and in the applicable offering documents or investment management agreements. TACP does not generally customize the strategy to the needs of individual investors. However, we may agree to manage a Public Investment SMA in conformance with investment guidelines mutually agreed upon with the client.

In March 2020 TACP began offering an International focused strategy which is expected to invest in typically between 20 – 35 equity positions of companies located in countries outside of the

United States. The primary objective of the International focused strategy will be to outperform the MSCI All-Country World Index – ex USA. The International strategy will be managed using the same investment philosophy and approach as the Global Focused Strategy as described herein.

### Private Investments

On March 10, 2020, TACP began providing advice with respect to Private Investments. Currently, such advice is provided to two separate account structures that are organized as pooled investment vehicles (the “Private Investment SMAs” and, together with the Public Investment SMAs, the “SMAs”). TACP intends to organize other separate account structures and pooled investment vehicles in the future pursuant to its Private Investment business (together with the Private Investment SMAs, the “Private Investment Clients” and, together with the Public Investment Clients, the “Clients”). TACP does not intend to offer interests in Private Investment Clients to the public, and will limit such offerings to private placements made only to qualified investors. Details relating to the terms of the Private Investment Clients will be provided to prospective investors via such entities’ organizational documents and/or investment management agreements.

TACP’s Private Investment Clients invest principally in interests in private equity funds and other “closed-ended” private investment funds, as well as co-investments in private equity securities on a selective basis. Generally, TACP develops an investment strategy for each Private Investment Client on a case-by-case basis in consultation with the Clients. To date, such advice has been provided on a non-discretionary basis. However, TACP intends to commence providing discretionary investment advice Private Investment Clients in the future.

### Assets under Management

As of March 26, 2020, TACP had \$84,538,215 of assets under management on a discretionary basis and \$125,270,559 on a non-discretionary basis. Such figures are based in part on unaudited financial data and are subject to change. Valuations for certain Portfolio Funds associated with the Private Investment business, included as non-discretionary assets, are based on such Portfolio Funds’ reported net asset values as of December 31, 2019, the last date such numbers were provided by their respective investment managers.

### Additional Information

Additional information about TACP’s portfolio management activities and certain related conflicts of interest are provided in Items 8 and 11 of this Brochure.

## ITEM 5 – FEES AND COMPENSATION

### Fees

#### The Trinity Global Fund

Depending on the share class, TACP offers two fee options for investors, though preferred fees are or have been available to certain anchor investors, in the Trinity Global Fund as described below. One fee option for general investors charges an annualized management fee of .85% of the investor's assets under management for the first \$50 million invested, .70% for the next \$150 million, and .65% for any balance over \$200 million. Management fees are payable monthly in arrears at the end of each calendar month based on the net market value of each investor's account on the last day of that calendar month. The second option charges an annualized management fee of 0.5% and a 10% performance allocation charged on returns (net profits, including both realized and unrealized gains and losses) that are 2% over the returns of the ACWI (the "Benchmark"). Reduced fees from those provided above are being offered to institutional investors until the firm's AUM exceeds \$500 million.

Performance allocations, when applicable, will be assessed in arrears on an annual basis, and will only be applied to the portion of the profits or losses that exceeds any cumulative underperformance vs. the Benchmark as previously allocated to or incurred by the applicable investors (i.e. "high water mark"). Performance allocations create an incentive for TACP to engage in potentially more risky investment strategies than it may otherwise engage in. Additionally, the Trinity Global Fund includes a carry-forward provision so that the Trinity Global Fund's general partner will not receive an annual performance fee when the absolute return of an investor's invested capital is less than 0% for the period, regardless of whether the Trinity Global Fund outperformed the Benchmark. In this instance, any performance fee based on the Trinity Global Fund's outperformance versus the Benchmark on such year when the absolute return is less than 0% will be netted with or added to, as applicable, the following year's outperformance or underperformance, and then only paid to the general partner if the absolute return is greater than 0% on that year.

Preferred anchor investor terms are available in a separate share class until the Trinity Global Fund's general partner decides, in its sole discretion, to close the share class, which is anticipated when TACP's total assets under management exceed \$500 million. Please see the Confidential Private Placement Memorandum for the Trinity Global Fund for additional details regarding fees and other terms.

For the Trinity Global Fund, the expenses, pro rata portion of the management fee and the performance allocation through the date of withdrawal or termination, will be charged to the investors.

The Trinity Global Fund's offshore feeder, when made active, will invest through the Trinity Global Fund's on-shore master fund ("Master Fund") which is organized as a limited partnership. The Master Fund is organized as a Delaware limited partnership and such Master Fund will pay TACP management fees. TACP, as the Trinity Global Fund's investment manager may agree to supplements, clarifications, or variations of the terms in its offering documents in certain "side letters" or similar agreements.



### Public Investment SMAs

Public Investment SMA clients are generally subject to similar fees and terms discussed above, including preferred fees for anchor investors. However, these are subject to negotiation with each SMA and may differ.

### Private Investment Clients

Private Investment Clients are subject to a management fee, typically paid on a quarterly or semi-annual basis, that is a fixed fee based on assets under management as well as, in some cases, a percentage of undeployed capital. In addition, Private Investment Clients typically pay a performance fee that is based on a percentage of profits earned by the relevant Private Investment Client.

### Limitation on Payment of Performance Fees

Performance allocations will only be charged to accounts of those investors or SMA clients who are “qualified clients” as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with applicable state and federal law.

### Prepayment of Fees

In the instances where fees are paid in advance by a Client, the following section applies. TACP will pro rate the management fee for Investors who have held for less than a full quarter or semi-annual period as a result of subscribing for interests other than on the first business day of the quarter or semi-annual period. Management fees for SMAs will be assessed pro rata when the account either opens or closes mid-month, quarter or semi-annual period depending on the agreed upon billing cycle. Prepaid but unearned fees are refunded to the Clients and/or Investors, as the case may be.

TACP generally requires Accounts wishing to withdraw amounts from their capital accounts to provide written notice 30 days prior to the last business day of a calendar month and does not permit withdrawals on any other date. SMAs may be closed upon written notice as agreed to in writing with the client. In the event that TACP does permit an off-cycle withdrawal or account closure, any prepaid fees (such as management fees) will be refunded for the partial month or quarter, as applicable. Any applicable performance-based fees will be calculated at the time of withdrawal or closure, and deducted from the proceeds.

### Outside Compensation for the Sale of Securities

Neither TACP nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with TACP.

TACP's fees are exclusive of brokerage commissions, transaction fees, foreign taxes, and other related costs and expenses which shall be incurred by investors. Such charges, fees and commissions are exclusive of and in addition to the fees described above and TACP shall not receive any portion of these commissions, fees, and costs. These costs are detailed below under “Expenses.” See also Item 12 of this Brochure regarding brokerage.

The foregoing discussion represents TACP's basic compensation arrangements. The management fees and incentive allocations described above are structured to comply with Rule 205-3 of the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Investor may vary. Although TACP believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

## Expenses

TACP will generally bear its own operating and administrative costs and expenses and certain research costs. The cost of certain services may be paid by brokerage firms to which TACP directs trades, as discussed in Item 12 below. Also, TACP may invest in other commingled funds including mutual funds or exchange traded funds. When it invests in these types of securities investors will pay, in addition to compensation paid to TACP, the representative management fees charged by the manager(s) of such funds.

### The Trinity Global Fund

To the extent provided in the applicable fund's governing documents, the Trinity Global Fund will bear all of the expenses incidental to its operations, securities transactions, and certain research or investment related costs to TACP. In this regard, the Trinity Global Fund bears and shall be responsible for its own expenses, including, but not limited to, investment related expenses such as the Fund's brokerage commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees, withholding and transfer fees, taxes, systems and technology expenses, trade order management and portfolio accounting system(s), news wires and data feeds, subscription fees associated with periodicals used for research, third party research and research tools, corporate licensing fees, legal and auditing expenses, outsourced middle and back office operations, accounting, fund administration, filing fees and expenses (including regulatory filings made in respect of the Fund such as Form PF preparation and filing expenses), outsourced risk management advisory and software, fees of investment related consultants and experts, expenses incurred with respect to the preparation, duplication and distribution to Limited Partners and prospective Limited Partners of Fund offering documents, annual reports and other financial information, marketing and syndication expenses (including those incurred in marketing Fund Interests in the European Union) and any other services or service provider expenses deemed necessary by the General Partner on behalf of the Fund. Notwithstanding the foregoing, TACP may decide in its own discretion to pay the cost of certain expenses of the Trinity Global Fund.

### SMAs

Per the applicable SMA client's investment management agreement, the SMAs will be responsible for their own costs and expenses, as agreed upon. Such expense includes, but are not limited to, all brokerage fees and commissions, expenses relating to clearing and settlement charges, custodial fees and expenses charged by their administrator (as applicable), and other non-operating expenses relating to the SMA.

SMA clients may also bear, proportionate share of the research and portfolio management expenses as TACP deems appropriate which may include, but are not limited to, costs of third-party research, data feeds and databases, trade order management systems and associated accounting platforms, news wires and quotation services, risk analytics software and associated consulting services, periodical subscription fees, and fees of outside consultants and experts.

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

TACP is entitled to receive performance-based compensation which creates the following potential conflicts of interest:

- The receipt of performance-based compensation may incentivize TACP to make investments that are riskier or more speculative than TACP would make if it did not receive such performance-based fees. TACP monitors the Trinity Global Fund's and all SMAs' risk independent from the investment team.
- "Net appreciation", which is the basis for most performance-based compensation, includes unrealized appreciation and may result in TACP receiving greater performance-based compensation than would be the case if net appreciation was based only on realized gains.
- TACP may be incentivized to favor an investor that pays performance-based compensation over an investor or SMA client that does not, or pays lower, performance-based compensation. As an example, TACP may be incentivized to allocate more profitable trades to investors that pay performance-based compensation. TACP maintains policies and procedures that seek fair allocation of investment opportunities to all investors. More specifically, TACP's policies and procedures establish that generally allocations are made among the Trinity Global Fund and SMAs on a pro rata basis based on the size of the fund or account. See ITEM 12 – Brokerage Practices – Aggregation of Orders" for additional information.
- Performance-based compensation may encourage TACP to overvalue assets in the Trinity Global Fund in order to increase the amount of its performance-based compensation. TACP has adopted pricing policies and procedures and relies on the Trinity Global Fund's fund administrator to independently value the positions and determine the Trinity Global Fund's net asset value. To the extent that the fund administrator is not able to determine the fair value of an asset held in the Trinity Global Fund, TACP's Valuation Committee will make a determination as to the appropriate value for the asset.

Performance-based fees will only be charged to Investors and SMA clients who are "qualified clients" as defined in Rule 205-3 of the Advisers Act and in accordance with applicable state and federal laws.

## ITEM 7 – TYPES OF CLIENTS

TACP provides discretionary portfolio management services to Public Investment Clients. Currently, TACP only provides non-discretionary portfolio management services to Private Investment Clients, but intends to offer discretionary portfolio management services to such Clients in the future. In addition to its current Clients, TACP may in the future provide the same or similar services to other privately placed investment funds and/or SMAs. The types of investors in the Trinity Global Fund or SMA clients may include: pension and profit sharing plans; trusts, estates and charitable organizations, funds of hedge funds, high net worth individuals and family offices.

Prospective Investors must meet eligibility criteria, and are subject to certain withdrawal requirements and limitations. Prospective Investors are encouraged to thoroughly review the Trinity Global Fund's constituent documents (the "Constituent Documents"), which set forth all of the terms in detail. Though the Clients generally pursue the same strategy, offering terms may differ. The Trinity Global Fund is a privately-offered investment fund that is not registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") pursuant to Section 3(c)(7) of the Investment Company Act and, in the case of any off-shore feeder, their adherence to the substantive provisions of Section 3(c)(7) as to U.S. investors. Investors in Trinity Global Fund must meet eligibility criteria pursuant to these provisions. Public SMA Clients and all Private Investment Clients must meet eligibility criteria set forth in investment management agreements and other relevant documents.

### The Trinity Global Fund

Each investor generally must be an "accredited investor" (as defined in Regulation D under the Securities Act of 1933, as amended), an Investor who is eligible to enter into a performance fee arrangement under state and/or federal law, as applicable, and must meet other criteria as specified in the Constituent Documents. The minimum initial investment is generally \$1 million, subject to waiver at the discretion of TACP.

### SMAs

The minimum investment for an SMA is generally \$25 million, subject to waiver at the discretion of TACP.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### Investment Philosophy and Approach

For Public Investment Clients, including the Trinity Global Fund, TACP's focus is on bottom-up, fundamentally-based investing in equity and equity-linked investments, selected from a wide range of industries on a global basis. As such, TACP seeks out long positions in companies that: are under-researched or misperceived but have improving fundamentals; have high-quality, long-term growth prospects and good management teams; have poor track records and have been viewed negatively by the markets but are undertaking restructuring programs with a reasonable prospect of generating higher-than-expected return on capital and more favorable growth prospects; or constitute special situations in which market breaks, radical management change, unique product developments, corporate activity, or sudden regulatory shifts may have adversely impacted the share price as the market digested the event.

TACP's philosophy determines not only what kind of investments it considers attractive to achieve superior returns but also how it identifies those investments. TACP spends significant time meeting with the management personnel of companies, conducting due diligence, speaking to independent consultants, and discussing business trends with suppliers, customers, and competitors. TACP's approach to conducting primary research also relies on following and tracking global industrial value chains over substantial periods of time. Research and analysis will often extend across multiple industries.

Integrated in our research process is a focus on environmental, social and governance related factors, or ESG. Our process includes screening for companies that engage in certain commercial business practices, qualitative identification of ESG trends we believe have a positive impact on returns, mitigating risk through minimizing poor ESG related activities by companies and advocacy through direct engagement.

For Private Investment Clients, TACP develops an investment strategy for investing in Private Fund and other Private Investments for each Private Investment Client on a case by case basis in consultation with the Client.

### Managing Risk

TACP believes that risk management is multi-faceted and complex. TACP monitors risk across several metrics: individual stocks can be monitored on a stock-specific versus market-risk basis, as well as on a sector and portfolio basis.

Exposure levels vary based on the attractiveness of individual positions in a Client's portfolio at any given time. Investment decisions are based on bottom-up analysis, and therefore, the macroeconomic bias will tilt based on information TACP learns from companies and the industry trends that may be occurring globally based on the research its global investment team generates. In addition, a portfolio consisting of regulated utilities or tobacco companies would have significantly different risk profiles than Internet stocks. TACP sizes individual stocks on the opportunity set each represents on the upside, as well as the contribution those stocks contribute to overall market/beta (non-stock specific) risk.

## Investment Risks

While TACP attempts to moderate these risks, there can be no assurance that the investment and trading activities will be successful or that the Client will not suffer losses. The following is a summary of some of the principal risks involved in TACP's investment management activities. It is necessarily incomplete; no summary can describe all risks.

## Investment Selection / Key Personnel Risks

TACP believes the primary risk of its investment strategies arises from investment selection: the risk that TACP's techniques could result in investment positions that, at least over certain periods, decline in value or do not appreciate as much as alternative investment opportunities. TACP's investment advice depends on the judgment and analysis of its key investment personnel, in particular its Portfolio Manager, Raj Venkatesan. If Raj were to die, become ill or disabled, or otherwise cease to be involved in the active management of the business of the Clients' portfolios for any period of time, client's investments could suffer.

## General Investment and Trading Risks

Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that the investment program will be successful. The investment program may utilize investment techniques including, but not limited to option transactions, margin transactions, forwards, and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

## Equity Investments

A Client's equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Client may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize). Equity prices are directly affected by issuer specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

## Small- and Mid-Cap Risks

While a Client will generally invest in securities of large-cap issuers, a portion of a Client's assets may be invested in securities of small-cap and mid-cap issuers with market capitalization of less than \$2 billion. While in TACP's opinion the securities of small- and mid-cap issuers may offer the potential for greater capital appreciation than investments in securities of large-cap issuers, securities of small-cap issuers may also present greater risks. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the



market prices of large-cap issuers. Transaction costs in securities of small- and mid-cap issuers may be higher than in those of large-cap issuers.

### Commodities and Derivative Investments

Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. A Client's ability to profit or avoid risk through investment or trading in derivatives will depend on TACP's ability to anticipate changes in the underlying assets, reference rates or indices.

The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements 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. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, a Client's assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

Clients are not expected to invest in options frequently. However, in the discretion of TACP, a Client may buy or sell (write) both call options and put options, and when they write options, it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Client's option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which a Client has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions a Client may enter into, the principal risks involved in options trading can be described as follows: When a Client buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of their investment in the option (including commissions). A Client could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (e.g., by buying the securities or buying calls on them) in securities underlying put options.

If a Client sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered." If it is covered, a Client would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss a Client might suffer as a result of owning the security. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

## Convertible Securities

The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the investment value of convertible securities. The conversion value of a convertible security is determined by the market price of the underlying common stock. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security is called for redemption, a client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the client's ability to achieve its investment objective.

## General Risks of Lending

A Client may invest in loans. There are many risks associated with investments in loan products, including the risk of non-payment by the borrower, the risk of default by the borrower, the risk of bankruptcy or other events which affect the borrower's ability to repay the loans as scheduled, and other related risks. The occurrence of any of these risks could materially affect the ability of a Client to achieve its investment objective. Such risks, and the negative consequences associated therewith, may increase in relation to the length of the term of the loan.

## Options and Bond Volatility

The Clients may buy or sell options and convertible bonds. Changes in option and convertible bond volatility are extremely difficult to predict. If a Client is short options or convertible bonds and the volatility increases, or if a Client is long options or convertible bonds and volatility declines, the Client could be affected materially and adversely.

## Credit Default Swaps

Clients may invest in credit default swaps. A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. In essence, an institution which owns corporate debt instruments can purchase a limited form of default protection by entering into a credit default swap with another bank, broker-dealer or financial intermediary. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value, or (ii) by the parties pairing off payments, with the purchaser of the protection receiving a payment equal to the par value of the reference security less the price at which the reference security trades subsequent to default. The first way is the more common form of credit default swap termination. In the manner described above, credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. A Client may also "purchase" credit default protection even in the case in which it does not own the referenced instrument if, in the judgment of TACP, there is a high likelihood of credit deterioration. The credit default swap market in high yield securities is comparatively new and rapidly evolving compared to the credit default swap market for more seasoned and liquid investment grade securities. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default and the shape of the U.S. Treasury Market curve, among other factors. As such, there are many factors upon which market participants may have divergent



views. TACP may also enter into credit default swap transactions, even if the credit outlook is positive, if it believes that participants in the marketplace have incorrectly valued the components which determine the value of a swap.

### Use of Leverage and Financing

While not a component of the Global Focused Strategy, a Client may allow or request TACP to leverage its capital if TACP believes that the use of leverage may enable the Client to achieve a higher rate of return. Accordingly, a Client may pledge its securities in order to borrow additional funds for investment purposes. A Client may also leverage its investment return with options, swaps, forwards and other derivative instruments. Any event which adversely affects the value of an investment by the Client would be magnified to the extent the Client is leveraged. The cumulative effect of the use of leverage by a Client in a market that moves adversely to the Client's investments could result in a substantial loss that would be greater than if the client were not leveraged.

### Special Situations

A Client may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, split-offs, reorganizations, mergers, bankruptcies and similar transactions. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a Client may invest, there is a potential risk of loss by a Client of a significant portion of its investment in such companies.

### Securities Lending

A Client may lend securities from its respective portfolio to brokers, dealers and other financial institutions that need to borrow securities to complete certain transactions as a means of earning additional income. A Client would be entitled to payments in amounts equal to the interest, dividends or other distributions payable on the loaned securities, which affords the Client an opportunity to earn interest on the amount of the loan and current income on the loaned securities themselves. In the event that a Client lends securities, it might experience a loss if any institution with which a Client has engaged in a portfolio loan transaction breaches its agreement with the Client. If the borrower becomes insolvent or bankrupt, a Client could experience delays and costs in recovering loaned securities. To the extent that, in the meantime, the value of the loaned securities decline, a Client could experience further losses.

### Net Cash

A Client may hold a significant portion of its portfolio in cash and cash equivalents. This may result in a Client's investment results underperforming market indices, or a portfolio which is 100% invested without any net cash holdings.

### Highly Volatile Markets

The prices of financial instruments in which a Client may invest can be highly volatile. Price movements of forward and other derivative contracts in which a Client's 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. A Client is subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

## High Risk Investments

While investments in companies in certain industries offer the opportunity for significant capital gains, such investments involve a high degree of business, financial, technological and regulatory risk, which can result in substantial losses. Moreover, a Client's portfolio may include investments particularly subject to increased risk because they are in companies at an early stage of development, which have been or may go into bankruptcy, acquired as leverage buyouts subject to interest rate fluctuations, or engaged in highly competitive industries dominated by companies with substantially greater resources. As a result, a Client may experience substantial volatility and potential for loss. TACP believes that its investment program and research techniques moderate this risk through a careful selection of securities and other financial instruments. However, no guarantee or representation is made that the program will be successful.

## Unidentified Investments; Competitive Market for Investments

TACP may be very selective when seeking investments. The business of identifying and structuring certain transactions is competitive (and may become more competitive in the future), and involves a high degree of uncertainty. There can be no assurance that TACP will be able to locate and complete attractive investments or that it will be able to adhere to the investment strategy outlined herein. Furthermore, there can be no assurance that TACP will be able to invest the entire amount of a Client's assets or that suitable investment opportunities will otherwise be identified. If TACP is unable to identify adequate investments at any given time, a significant portion of a Client's assets may be held in cash or equivalents, which produce low rates of return.

## Hedging Transactions

While not a primary component of the Global Focused Strategy, to the extent permitted by a Client, TACP may enter into hedging transactions with respect to such Client's assets to seek to reduce risk, such transactions may result in a poorer overall performance for the Client than if it had not engaged in any such hedging transactions. For a variety of reasons, TACP may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose the Client to risk of loss.

## Investing in High Yield Securities

A Client may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, a Client may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could

adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

### Derivatives and Hedging

Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. A Client's ability to profit or avoid risk through investment or trading in derivatives will depend on TACP's ability to anticipate changes in the underlying assets, reference rates or indices.

### Brokerage Commissions/Transaction Costs

During some periods, a Client's activities may involve a high level of trading, and the turnover of its portfolio may generate substantial transaction costs. These costs will be borne by a Client regardless of its profitability.

### Short Selling

While not a component of the Global Focused Strategy, an SMA client may permit TACP to short stock for such SMA. Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the SMA of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

### Limited Diversification

Investments may be primarily focused geographically in certain countries. Furthermore, broad diversification of investments in number or by industry or geography is not a primary investment of TACP. This limited diversity could expose Clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

### Non-U.S. Securities

Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers.

### Emerging Markets

Clients may make investments in emerging markets (i.e., the developing countries). Emerging markets generally are not as efficient as those in developed countries. Risks include volume and liquidity levels as well as a limited or lack of a marketplace for the securities. Differences in accounting, auditing and financial reporting standards may not be comparable to or as uniform as those of U.S. issuers. Custodial expenses for a portfolio of emerging markets securities are

generally higher than for a portfolio of securities of issuers based in developed countries. A Client may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on a Client and its operations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of non-U.S. countries in which assets of a Client are invested.

## Foreign Derivatives

A Client's futures and options activities may include futures and options traded in non-U.S. markets. The risks of these activities may be greater than those of trading in futures and options on U.S. exchanges. For example, foreign futures and options are cleared on and subject to the rules of a foreign board of trade. Neither the Commodity Futures Trading Commission nor the National Futures Association regulates activities of any foreign board of trade, including execution, delivery and clearing of transactions. Moreover, these agencies have no enforcement authority over foreign boards of trade. In addition, funds provided for foreign futures and options may not be provided the same protections as funds received in respect of United States transactions.

## Currency

A Client may invest a portion of its assets in instruments denominated in currencies other than the U.S. dollar, the price of which is determined with reference to currencies other than the U.S. dollar. Client accounts will, however, be valued in U.S. dollars. To the extent unhedged, the value of the assets will fluctuate with U.S. dollar exchange rates as well as the price changes of investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies will reduce, all other economic factors being constant, the effect of increases and magnify the effect of decreases in the prices of the account's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on non-U.S. dollar securities. To the extent permitted, a Client also may, but does not expect to regularly do so, utilize options and forward contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

## Illiquid Investments- Public Markets

Securities and other assets, may be subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a Client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. A Client may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. An investment in a Client's account is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

## Information Sources

TACP selects investments for a Client based in part on information and data that the issuers of such securities file with various government agencies or make directly available to TACP or that TACP obtains from other sources. TACP is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

## Stock Index Futures

Using stock index futures for hedging involves several risks. Price movement in the stock index and price movements in the securities that are the subject of the hedge do not always correlate. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and there is no secondary market for those contracts. In addition, there may be no active market for the contracts at any particular time. Some exchanges do not permit trading in particular contracts at prices that fluctuate more than a set limit in any day. If prices fluctuate during a single day beyond those limits, a Client may not be able to liquidate unfavorable positions promptly and may lose money.

## Counterparty Risk

Certain transactions may be affected in “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing Clients to suffer a loss.

## No Control Over Portfolio Issuers

Clients may acquire substantial positions in the securities of particular companies. Nevertheless, a Client is unlikely to be represented on the board of directors or share any control over the management of any such company. The success of each investment depends on the ability and success of the management of that company, in addition to economic and market factors.

## Terrorist Action

There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

## Investment for Control

TACP may become an active participant in the management of certain portfolio companies. If we participate in management, we may be deemed to have duties to the portfolio company. Other parties could seek damages based on allegations of wrongdoing in the course of exercising influence and control over a company.

## Portfolio Turnover

Our portfolio management activities may involve higher portfolio turnover than other investment managers'. If that occurs, brokerage commissions may be higher than those incurred in other portfolios.

## Insolvency of Brokers and Others

Clients are subject to the risk that a brokerage firm that executes their trades, the clearing firm that such brokers use, the clearing houses of which such clearing firms are members, or other counterparties to transactions may fail. To the extent Clients buy securities from or sell securities to non-U.S. broker-dealers or other institutions, holds a portion of its assets through non-U.S. sub-custodians, or places assets with non-U.S. entities as collateral in connection with transactions in derivatives or margin borrowings, the risks relating to potential insolvencies or failures of such entities may be greater than those faced when dealing only with U.S. institutions.

## Reliance on Technology

TACP will rely heavily on computer hardware and software, online services and other computer-related or electronic technology and equipment to facilitate TACP Clients' investment activities. Should events beyond TACP's control cause a disruption in the operation of any of that technology or equipment, TACP's Clients may experience losses or other adverse effects that TACP's business continuity plan may be unable to prevent or mitigate.

## Valuation Risks

Many of the securities in which we intend to invest are traded in markets that are not as active or deep as large-capitalization equity markets. For some securities, there is no established secondary market. For others, the market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, resulting in unreliability of pricing information. The markets for over-the-counter derivative products are even less developed and have no equivalent of established securities exchanges or composite tape systems to supply pricing information. Because of market inefficiencies, there can be material variation of bid/ask pricing from different dealers. Further, if an issuer's financial condition deteriorates, accurate financial and business information may become even more limited or entirely unavailable. In some circumstances, prices for positions may not be available from any source. Where third-party pricing information is not available, or where TACP considers market-based pricing information not to be indicative of an investment's value, the investment will be valued at TACP's discretion. TACP may face conflicts of interest in making valuation decisions.

As a result of these and other factors, there can be no assurance that the valuation of investment positions at any valuation date will accurately reflect the amount that could be obtained (or payment required as to some types of derivatives positions) upon a sale or closing transaction on that date. Inaccuracies in valuation could affect portfolio management activities and, as a result, cause significant losses.

## Counterparty and Settlement Risk

Clients may be exposed to the risk of default by their counterparties or to settlement difficulties in their over-the-counter derivative contracts or transactions (*i.e.*, transactions in options or other derivatives that are not cleared through the facilities of an exchange or clearing organization such as the Options Clearing Corporation). These transactions may include "swaps," contracts



for differences and specially tailored options, and instruments or interests underlying them that may include securities, securities indices, interest rates, commodities and commodities indices. This risk may be materially greater than default or settlement risks involved in standardized and exchange-traded transactions. The latter are generally backed by clearing organizations' guarantees and are generally marked to market daily, and financial intermediaries and obligors are generally subject to settlement, segregation and minimum capital requirements. Transactions directly with a counterparty generally do not benefit from those protections and expose each party to a greater risk of the other's default.

### Challenges for Underlying Fund Managers

For the Private Investment business, underlying Private Fund managers may experience a number of challenges, including sourcing high-quality deal flow; working with, and influencing, investee portfolio companies to encourage maximum growth and financial returns, and more. This could adversely affect a Private Fund's ability to generate attractive financial returns.

### Illiquid Investments – Private Investments

Interests in Private Funds and their underlying portfolio companies, as well as interests in other Private Investments, are highly illiquid. This could make it difficult to acquire or dispose of these investments at the prices quoted on the various exchanges and over-the-counter. As a result, the market prices, if any, for these investments may be volatile and may not be readily ascertainable. At times, it may be difficult to obtain price quotes at all. Therefore, a Private Investment Client or a Private Fund may be adversely affected by a decrease in market liquidity for the securities in which it invests, and this may impair their ability to adjust positions and the fund or strategy may experience adverse price movements upon liquidation of its investments. In addition, a Private Investment Client or a Private Fund may not be able to sell these investments when it desires to do so or to realize what it perceives to be the fair value of these investments in event of a sale. In addition, the sale of such assets often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of investments which are eligible for trading on an exchange or for which there is an active over-the-counter. The size of a Private Investment Client's or Private Fund's positions may magnify the lack of liquidity for such investments.

### Reliance on Private Fund's and other Private Investments' Management Teams

Private Investment Clients who invest in Private Funds or other Private Investments will rely almost entirely on the management teams of such Private Funds or other Private Investments to manage such funds and companies. The returns of such products will depend largely on the ability of such management teams to execute their funds' or company's strategies for achieving growth and profits. Failure by a management team to achieve such goals could have a material, adverse effect on a Private Investment's performance.

### Additional Level of Fees

Private Investment Clients' investments in Private Funds will be subject to two levels of fees: those charged by the underlying fund manager and those charged by TACP. This could result in a Private Investment Client being subject to greater overall fees than if it invested directly in a Private Fund. While TACP will seek to offset some of these fees by negotiating reductions in fees charged by underlying Private Funds, it may not always be successful in its efforts to do so.

## ITEM 9 – DISCIPLINARY INFORMATION

Nothing to disclose.



## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### Registration as a Broker-Dealer or Broker-Dealer Representative

Neither TACP nor its management persons are registered as a broker-dealer or broker-dealer representative.

### Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

TACP, nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

### Material Financial Industry Affiliations of the Firm

Blackfoot River Partners LLC is the general partner of Trinity Alps Capital Partner LP, through which it provides investment advisory services to the Clients. Trinity Alps Capital Partners GP LLC is the general partner of the Trinity Alps Global Focused Fund LP. Raj Venkatesan is the managing member of both Blackfoot River Partners LLC and Trinity Alps Capital Partners GP LLC. Trinity Alps Capital SLP LLC is a holding company established by TACP to hold equity interests and receive performance fees with respect to Private Investments. All equity interests in Trinity Alps Capital SLP LLC are held by Raj Venkatesan and Sigurd Strack, and Raj Venkatesan, through TACP and Blackfoot River Partners LLC, controls Trinity Alps Capital SLP LLC.

### Selection of Other Advisers or Managers

TACP does not utilize nor select other advisors or third-party managers. All assets are managed by TACP. Notwithstanding the foregoing, for investments by Private Investment Clients in Private Funds, the managers of the Private Funds are responsible for managing the assets of the Private Fund. TACP does not receive any compensation from such Private Fund managers.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION IN INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

TACP has established a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act. The Code includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, a whistleblower policy, and personal account trading procedures. The Code is distributed to each employee at the time of hire and is supplemented with training periodically thereafter. All employees at TACP must attest to following the terms of the Code of Ethics annually. A brief summary of the contents of the Code is provided below. Upon request a complete copy of TACP’s Code of Ethics will be provided.

**Business Conduct:** TACP owes its clients the highest duty of loyalty and has established policies, procedures and practices aimed to avoid conduct that would be inconsistent with this duty.

**Avoiding Conflicts of Interest:** TACP has established policies, procedures and practices that attempt to avoid conflicts of interest. The Code stresses the importance to its officers, partners and employees of avoiding situations that have the appearance of conflict or impropriety.

**Personal Account Trading:** TACP has established policies and procedures that restrict personal trading in order to avoid conflicts with its management of the Clients. Included in these policies and procedures are trading restrictions placed on TACP’s members and employees and certain other related persons (collectively “Access Persons”). TACP generally restricts personal transactions by Access Persons in any security that the Clients hold or may consider for investment. Access Persons may buy or sell specific securities for their own accounts that are not deemed appropriate for client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in the Clients are made. Certain pre-clearance procedures, black-out periods, holding periods and reporting requirements also apply to the Access Person’s accounts, positions, and transactions. Where execution opportunities for a particular security are limited, TACP attempts in good faith to allocate such opportunities among clients in a manner that, over time, is equitable to all clients. See Item 12, “Brokerage Practices.”

**Outside Business Activities:** TACP personnel may not serve as a director of a publicly held company without the prior approval of TACP’s Chief Compliance Officer and then only when such a position would not adversely affect the interests of TACP’s investors.

**Prohibition on Insider Trading:** TACP has implemented policy and procedures to address the prohibition of trading on material non-public information or sharing such information with others. In addition, TACP has implemented procedures designed to help detect and prevent insider trading.

## ITEM 12 – BROKERAGE PRACTICES

In acquiring and disposing of investment positions, TACP generally will have complete discretion to select the brokers, dealers, futures commission merchants, swap dealers and counterparties, counterparties to other transactions and investment positions, and other financial intermediaries (“Transacting Parties”). Clients may buy investments directly from and sell them directly to dealers, with a markup or markdown included in the price, and they may buy and sell investments through brokers, futures commission merchants and other financial intermediaries who charge commissions or commission equivalents. TACP may also cause securities to be bought from underwriters in public offerings at prices that include compensation to the underwriters. TACP has complete discretion in negotiating the prices for investment positions and the amounts and nature of transaction-related compensation, if any, its Clients will pay.

TACP directs a significant percentage of the Clients’ orders to BTIG, LLC for execution. In many instances, BTIG executes the Clients’ orders with the Transacting Parties that TACP receives services (including research services), as described below, from. TACP’s use of BTIG as its “outsourced trading desk” will result in the Clients paying higher commission amounts than would be the case if TACP traded directly with the Transacting Parties. In choosing Transacting Parties TACP is not required to consider or focus on any particular criteria. In selecting dealers from which clients may buy or to which they may sell securities and commodity interests, and in selecting brokers and other intermediaries to execute transactions on an agency basis, for the most part, TACP seeks “best execution” of transactions. What constitutes “best execution” and determining how to achieve it are inherently uncertain. In evaluating whether a Transacting Party provides best execution, TACP will consider a range of factors. These includes, among others, historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions; the execution, clearance and settlement and error-correction capabilities of the Transacting Party generally and in connection with securities, commodity interests or other instruments of the type and in the amounts to be bought or sold (including the ability to follow instructions, provide timely reporting, maintain confidentiality, and provide market color); the Transacting Party’s willingness to commit capital; the Transacting Party’s reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the market for the security, commodity interest or other instrument; and, as discussed more fully below, the nature, quantity and quality of research and other services and products provided by the Transacting Party. In selecting counterparties to swaps and other over-the-counter derivatives transactions or positions, TACP considers, as primary matters, the price and other fundamental terms of the particular contract and the creditworthiness and financial stability of the counterparty. TACP is not required to select the Transacting Party that charges the lowest transaction cost, even if that Transacting Party can provide execution quality comparable to others, and the Clients expect at times to pay more than the lowest transaction cost available in order to obtain for itself and/or TACP services and products other than securities transaction execution.

### “Soft Dollars”

When a Transacting Party provides a client or TACP with services or products other than transaction execution, or pays for those services or products for a client or TACP, in recognition of portfolio execution business done with that Transacting Party or in the expectation of such business, those services or products are said to be acquired with “soft dollars.” A federal statute, Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”),

recognizes the potential conflict of interest involved in the use by an investment manager (such as TACP) of soft dollars generated by securities transactions to pay for various expenses but provides a safe harbor from breach of fiduciary duty claims if certain conditions and requirements are met. Under the safe harbor, soft dollars may be used to acquire “research” and “brokerage” services and products for which a client would not otherwise be required to pay. Services or products generally constitute “research” under Section 28(e) if they constitute advice, analyses or reports, any of which express reasoning or knowledge as to the value of or investing in or trading securities or, as to issuers, industries, economic factors and trends, portfolio strategy or performance, but only to the extent TACP uses them for lawful and appropriate assistance in making investment decisions for the Clients’ account(s). “Brokerage” services and products are those used to effect portfolio transactions for the Clients’ account(s) or for functions that are incidental to effecting those transactions (such as clearance, settlement or short-term custody related to effecting, clearing or settling transactions) or regulatorily required in connection with transactions. In addition, only commissions or commission equivalents on transactions in securities are protected by Section 28(e). Using soft dollars to pay for services and products other than research and brokerage is not protected by the safe harbor, but does not necessarily constitute a violation of any law or fiduciary duty. Similarly, using markups and markdowns on many principal transactions, commissions paid to futures commission merchants on transactions in futures contracts, and compensation from transactions in swaps or other derivative instruments to pay for research or brokerage is not protected but is not necessarily prohibited.

Because many services and products TACP may receive from Transacting Parties may benefit TACP, TACP may face conflicts of interest in allocating clients’ transactional business. These may include incentives to cause clients to engage in the following practices to induce Transacting Parties to provide those benefits: (i) pay Transacting Parties higher compensation (potentially including markups and markdowns on principal transactions) than the compensation payable to other market participants who do not provide the services or products; (ii) select Transacting Parties that do not provide the best possible price; (iii) use (and pay) Transacting Parties who do not actually provide execution services (including brokers who are paid commissions on transactions effected on a principal basis with other dealers acting as market-makers); and (iv) effect more transactions than might otherwise be optimal. To the extent that a Client’s commissions are used to acquire certain products or services such as research, statistical information, and market data through the use of “soft dollars” the products or services will be of the type contemplated by Section 28(e).

## Procedures

Transacting Parties from which TACP may obtain soft dollar services or products generally establish “credits” based on past transactional business (including markups and markdowns on principal transactions), which may be used to pay or reimburse TACP for specified expenses. In some cases, the process is less formal; a Transacting Party simply may suggest a level of future business that would fully compensate the Transacting Party for services or products it provides. Actual transactional business with a Transacting Party may be less than the suggested level but may exceed that level, and credits established may exceed the amounts used to acquire services and products. This may be in part because clients’ investment activities generate aggregate commissions in excess of the levels of future business suggested by all Transacting Parties who provide services and products. And it may be in part because those Transacting Parties may also provide superior execution and may therefore be most appropriate for particular transactions. TACP may ask a Transacting Party who is executing a transaction for several of the Client

accounts to “step out” of a portion of the transaction in favor of a Transacting Party who has provided or is willing to provide products or services for soft dollars. That is, the executing Transacting Party will allow a portion of the overall commissions or other compensation to be paid to the soft-dollar Transacting Party. This assists TACP in acquiring products and services with soft dollars while providing the benefits of aggregated transactions as described below. It may result in some clients paying additional commissions or other transaction compensation to the Transacting Party to whom a portion of an aggregated transaction is “stepped out” and therefore incurring higher transaction costs for that transaction than do other clients who are buying or selling the same security at the same time.

These procedures are generally consistent with the requirements of Section 28(e) when the products or services acquired constitute research and/or brokerage. However, Section 28(e)'s safe harbor is not available as to many transactions effected on a principal basis, as most transactions with market-makers in over-the-counter securities are, with a markup or markdown paid to the Transacting Party or where the transactions are in commodity interests rather than securities. TACP may nonetheless determine to use such markups, markdowns and non-securities transaction compensation as soft dollars with which to acquire services and products of the kinds described below:

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

### “Research and Brokerage”

The types of “research” TACP may receive from Transacting Parties include (but are not limited to): reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software; proxy analysis services and systems (to the extent used to assist in making investment decisions), quotation services; and other products or services that may enhance TACP's investment decision-making. “Brokerage” services and products (beyond typical execution services) include (but are not limited to): computer systems and facilities (including hardware) used for such things as communicating orders electronically to executing Transacting Parties, post-trade matching of trade information, communicating allocation instructions, and other clearance and settlement functions. Even where TACP's use of soft dollars to acquire research and brokerage services and products is protected by Section 28(e), TACP will have a conflict of interest in connection with that use because it might otherwise have to pay cash for those services and products and it may have an incentive to use Transacting Parties who provide those services and products more than it otherwise would.

### Account Expenses

Transacting Parties could possibly agree to pay some or all of Client account's accounting and other, similar expenses or to meet a Client's obligation to reimburse TACP for expenses it has advanced. TACP may also cause Clients to use brokerage commissions, markups and markdowns, and other transaction-related compensation (as well as interest the prime broker (see description of prime broker and prime brokerage arrangements below) receives on cash balances, margin borrowings and borrowings of securities to maintain short positions) to pay the prime broker for recordkeeping, custodial and related services provided to clients. Under TACP's agreements, the Clients and in some cases other clients, and not TACP, would otherwise be

obligated to bear all of these expenses and TACP therefore does not believe it would have a meaningful conflict of interest in selecting a Transacting Party in recognition of that party's payment of them.

### Other Services and Products

A Transacting Party may provide other benefits to TACP or its affiliates, such as by lending to or engaging in other financial transactions with TACP or its affiliates on terms better than those otherwise available or by investing in the Clients. TACP will have a conflict of interest to the extent Transacting Parties pay for or provide these services or benefits, as it will have an incentive to use those Transacting Parties regardless of whether using them would otherwise be in the Clients' best interests.

### Prime Brokerage

The Clients may pay a portion of their own costs using soft dollars, including custodial, clearing, recordkeeping, and related services obtained through what is known as a "prime brokerage" arrangement. By using brokerage firms for these functions, the Clients avoid paying custodial fees that banks charge other institutional investors. Prime brokers are compensated through brokerage commissions, interest on credit balances, margin borrowings, and stock loans. Although TACP dictates the Trinity Global Fund's choices, the Trinity Global Fund might be thought of as "directing" TACP to place transactions with the prime brokers in order to pay for the custodial, clearing and related services the Trinity Global Fund obtains from the prime brokers. The prime brokers may provide services to us and/or our affiliates, distinct from the custodial, lending and related services the prime brokers provide the Clients. These services may include, among other things, information technology, website hosting, portfolio management software license and support service, consulting services with respect to various aspects of our business and introducing us to prospective investors. They may be provided at lower than the market price for similar services or for no charge. The prime brokers may also enter into financial transactions with us or our affiliates, and these transactions may be on terms more favorable than the terms available with other counterparties. These transactions might include lending money to us or our affiliates. To the extent we or our affiliates receive services from a prime broker at lower than market prices, or enter into transactions on terms better than terms available on the market, because we are responsible for selecting the prime brokers or negotiating the rates of compensation the Clients pay the prime brokers, conflicts may exist between our interests and the Clients'. That is, we may have an incentive to cause the Clients to accept less favorable pricing for prime brokerage services (including interest and similar charges on margin borrowings and short positions) that might be available otherwise or to continue to use a prime broker when the Clients would not otherwise do so.

### Referrals of Investors and Advisory Clients

In selecting a Transacting Party, TACP may consider the Transacting Party's referrals of investors to the Trinity Global Fund, referrals of advisory clients to TACP, the potential for future referrals, and/or the Transacting Party's willingness to pay third-party finders' fees for those referrals. To the extent TACP would otherwise be obligated to pay for "finding" services, it has a conflict of interest in considering those services when selecting a Transacting Party. It also faces a conflict because it benefits from increases in TACP's assets under management. Such finders' fees will fully comply with Rule 206(4)-3 of the Advisers Act.



TACP does not currently accept directed brokerage arrangements. Securities transactions are executed by brokers selected by TACP in its discretion and without the consent of Investors or SMA clients.

### Aggregation of Orders

When TACP deems the purchase or sale of securities to be in the best interest of more than one of the Clients, TACP may (but is not required to) combine those orders into one order. When it does, TACP will generally allocate the securities or proceeds arising out of those transactions pro rata (and the related transaction expenses) and on an average price basis among the various participants. TACP believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a client than if that client had been the only account effecting the transaction or had completed its transaction before the other participants.

TACP may place orders for the same security for different clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in “block” transactions. The level of participation by different clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular client.

TACP will trade in the stock of an issuer, and in an equity swap that provides the economic exposure of that stock, in Client accounts at the same or similar time. Equity swaps will be purchased in instances when it is more efficient to trade the equity swaps and in instances when an account does not have an ID in an applicable local market. Equity swaps cannot be purchased in Client account where the Client does not have an ISDA Master Agreement. In these instances, the Clients’ transactions will not be aggregated and as a result often-times will be executed at different prices.

As a policy of the firm, TACP will not cause accounts it manages (including funds in which TACP and/or one or more of its related persons has an ownership interest) to effect “cross” transactions with other accounts. This policy may result in one or both parties receiving a less favorable price or paying commissions and other charges that could have been avoided if TACP’s policy allowed for the crossing of trades between accounts.

## ITEM 13 – REVIEW OF ACCOUNTS

All Client accounts will be managed and reviewed daily by Raj Venkatesan, TACP's Portfolio Manager. Asset allocation, cash management, market prospects and individual issue prospects are considered. Particular attention will be given to changes in company earnings, industry and company outlook, market outlook and price level.

Investors in the Trinity Global Fund will generally receive the following reports:

- Monthly—Letter stating prior month's performance, year-to-date performance, inception-to-date performance, and relevant account balance details.
- Quarterly—Letter providing performance for the year through the most recently ended quarter, together with TACP's view of the current investment outlook.

TACP provides customized reporting for SMA clients on a frequency that is mutually agreed upon.



## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

TACP does not engage solicitors or otherwise compensate third-parties for client referrals.

We may receive client referrals from brokers providing services to our clients. See Item 12, “Brokerage Practices.”

## ITEM 15 - CUSTODY

Rule 206(4)-2 of the Advisers Act provides that because TACP and/or its related persons are the general partners of the Trinity Global Fund, TACP is considered to have “custody” of the Fund’s assets, even though independent qualified custodians actually hold those assets. The rule generally requires investment advisers that have “custody” of client assets to cause certain account statements detailing holdings and transactions to be sent to clients, and imposes certain other obligations. However, advisers to investment funds like the Trinity Global Fund need not comply with those requirements if the Trinity Global Fund follows certain procedures. TACP satisfies the SEC custody requirements by providing Investors with audited financial statements by a specified time each year.

Federal law provides that because TACP deducts fees directly from SMA clients’ accounts, TACP is considered to have “custody” of the SMA’s assets, even though independent qualified custodians actually hold those assets. The custody rules generally require investment advisers that have “custody” of Client assets to cause certain account statements detailing holdings and transactions to be sent to Clients, and imposes certain other obligations.

Consistent with the requirements under Rule 206(4)-2 of the Advisers Act, the qualified custodian sends to each SMA, at least quarterly, account statements identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during that period including investment advisory fees.

## ITEM 16 – INVESTMENT DISCRETION

In cases where TACP has discretion over a Client's investments, TACP will generally receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, TACP will observe the investment policies, limitations and restrictions of the clients for which it advises. See Item 4, "Advisory Business," and Item 8, "Methods of Analysis, Investment Strategies and Risk of Loss."

## ITEM 17 – VOTING CLIENT SECURITIES

TACP has adopted and implement policies that it believes are reasonably designed to insure that decisions regarding when and how to vote proxies are done in the best interest of its clients. TACP's authority to vote proxies for its clients is established by its investment management agreements (or comparable documents). When TACP considers it to be in the best interests of clients to vote proxies, TACP votes such proxies in a manner TACP considers consistent with the best economic interests of our clients. The policy includes general guidelines for voting on matters that are frequently put before shareholders. TACP uses these guidelines flexibly, keeping in mind the principles stated above, as well as TACP's fiduciary responsibility to protect its clients' rights as shareholders.

TACP attempts to identify conflicts of interest that may arise in the proxy decision making process. If a material conflict of interest over proxy voting arises between TACP and a client, and TACP determines that its proxy voting policy does not adequately address the conflict of interest, TACP will notify the relevant Separate Account clients of the conflict and ask them to consent to TACP's intended response to the proxy solicitation. If a client consents to TACP's intended response or fails to respond to the notice within a reasonable period of time specified in the notice, TACP will vote the proxy as described in the notice. If the client objects to TACP's intended response, TACP will vote the proxy as directed by the client. TACP will not submit conflict questions of this type to investors in the Trinity Global Fund.

Investors in the Accounts may obtain a copy of TACP's proxy voting policy and records detailing how TACP voted proxy issues on the Account's behalf by submitting a written request to the Chief Compliance Officer at Trinity Alps Capital Partners LP, 369 Pine Street, Suite 700, San Francisco, CA 94111.

## ITEM 18 – FINANCIAL INFORMATION

TACP 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.