

# Thames Capital Management, LLC

## Part 2A of Form ADV

### Firm Brochure

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This brochure provides information about the qualifications and business practices of Thames Capital Management, LLC (“TCM” or the “Firm”), a registered investment adviser. If you have any questions about the contents of this brochure, please contact us at (973) 933-6565. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the Securities and Exchange Commission registration does not imply a certain level of skill or training.

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

## **Material Changes**

There have been no material changes to the Brochure since TCM's most recent annual update filed in March 2019. We encourage all recipients of this Brochure to read it carefully in its entirety.

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## Advisory Business

TCM is a New York-based investment management firm organized on June 15, 2016 as a Delaware limited liability company. The Firm is 100% owned by Jay Genzer, who serves as portfolio manager and is responsible for all investment-related decisions. TCM invests client assets primarily in publicly-traded global equities, both long and short, across all industries and market capitalization ranges. TCM and its affiliates provide investment advisory services and certain administrative services to the following pooled investment vehicle clients on a discretionary basis (each a “Fund” or “Client and, collectively, the “Funds” or “Clients”):

1. Thames Absolute Return Master Fund, Ltd. (the “Master Fund”);
2. Thames Absolute Return Fund, LP (the “Domestic Feeder Fund”); and
3. Thames Absolute Return Offshore Fund, Ltd. (the “Offshore Feeder Fund”, and collectively with the Domestic Feeder Fund, the “Feeder Funds”).

The Feeder Funds invest substantially all of their assets in the Master Fund.

Thames Capital GP, LLC (the “General Partner”), a Delaware Limited Liability Company, serves as the general partner of the Master Fund and the Domestic Feeder Fund. Messrs. Jay Genzer, Padraig Hoare, and Scott Dakers serve as Directors (the “Directors”) of the Offshore Feeder Fund. Unless and only to the extent that the context otherwise requires, all references to TCM include the General Partner and the Directors.

TCM’s investment objective is to generate long-term capital appreciation based on security selection and portfolio construction. TCM seeks to achieve these investment objectives primarily by investing in long and short positions in global equity securities across all industries and market capitalization ranges, and may utilize options and futures instruments. TCM’s investment strategy includes both “growth and “value” oriented investments, and TCM may also, from time to time, invest in “special situation” issuers.

In providing services to the Funds, TCM (i) manages the Funds’ assets in accordance with the terms of the applicable Fund’s Confidential Private Offering Memorandum or Confidential Explanatory Memorandum and individual limited partnership agreements (the “Offering Documents”); (ii) formulates investment objectives; (iii) directs and manages the investment and reinvestment of the Funds’ assets; and (iv) provides periodic reports to Limited Partners. Investment restrictions for the Funds, if any, are generally established in the applicable Fund’s Offering Documents.

TCM does not currently offer investment advisory services to separately managed accounts or other services tailored to the needs of individual Limited Partners, although TCM may provide such investment advisory services in the future. TCM does not participate in wrap free programs.

As of December 31, 2019 TCM managed approximately \$368,892,000 on behalf of the Funds.

## **Fees and Compensation**

Generally, TCM's compensation for the discretionary investment advisory services it provides to the Funds is comprised of an asset-based management fee and an incentive allocation that is based on the performance achieved for the account of each Limited Partner. The fees and expenses applicable to each Fund are set forth in detail in each Fund's respective Offering Documents. A brief summary of fees and expenses is provided below.

### Management Fee

On an annual basis, the Master Fund pays TCM a management fee of up to 1.5% of the net asset value of each Limited Partner's capital account (the "Management Fee"). The Management Fee will be paid quarterly in advance, based on the value of each capital account as of the first business day of each calendar quarter. The Management Fee will be adjusted for subscriptions and redemptions made during a quarter and calculated without accrual of the Incentive Allocation (as defined below), if any. The General Partner may waive or modify the Management Fee for certain Limited Partners, including members, employees, or affiliates of TCM, relatives of such persons, and for certain strategic Limited Partners.

### Incentive Allocation

At the conclusion of each fiscal year, the General Partner receives an annual incentive allocation of up to 20% of the net profits attributable to each Limited Partner's capital account (including realized and unrealized gains and losses), if any, subject to a loss carry forward (the "Incentive Allocation"). When calculating the Incentive Allocation, net profits are reduced by the Management Fee and all other expenses of the Funds as described below. The Incentive Allocation is paid at the Master Fund level and not directly by the Feeder Funds.

The General Partner may waive or modify the Incentive Allocation for Limited Partners that are members, employees, or affiliates of TCM, relatives of such persons, and for certain early stage, large or strategic Limited Partners. Incentive Allocations received by TCM are in compliance with Rule 205-3 under the Advisers Act.

Upon admission as a Limited Partner, or at such other times as determined by the General Partner, a Limited Partner may be designated as a special Limited Partner (each a "Special Limited Partner"). A Special Limited Partner may share in the Management Fee and/or the Incentive Allocation. References herein to Limited Partners shall include those Limited Partners designated as Special Limited Partners unless specifically indicated to the contrary.

### Fund Expenses

As further described in the Offering Documents of the Funds, certain expenses are paid by the Funds (or by the Master Fund and allocated to the Feeder Funds), including, but not limited to, legal, accounting (including third-party accounting services), administration, audit, and other professional fees and expenses, out-sourced trading expenses, organizational expenses, research expenses, investment expenses such as commissions and trading and support services (including payments to

assisting brokers), trading-related technology software costs deemed by TCM to benefit the Funds such as portfolio, order and risk management systems, compliance expenses of the Funds (including expenses related to various filings (or portions thereof) TCM is required to make as a result of managing the Funds' portfolios, such as Form PF and expenses related to registration, filing, and/or reporting requirements in any jurisdiction in which interests in the Funds are offered or sold), custodial fees, bank service fees and other expenses related to the purchase, sale, preservation or transmittal of Fund assets.

As noted above, the Funds invest their assets through a "master-feeder" fund structure in the Master Fund. The Feeder Funds, which invest exclusively in the Master Fund, indirectly bear the expenses of the Master Fund pro rata based on their interest in the Master Fund. As a result, virtually all expenses are incurred at the Master Fund level and therefore expenses incurred directly by the Feeder Funds are relatively small and typically include legal, audit, and administrative expenses.

## **Performance Based Fees and Side-by-Side Management**

As noted above in the Fees and Compensation section, TCM receives an Incentive Allocation that is based on a percentage of the net profits attributable to each Limited Partner's capital account (including realized and unrealized gains and losses, if any). The fact that TCM is compensated based on the success of investments held by the Funds may create an incentive for TCM to make investments that are riskier or more speculative than would be the case in the absence of such compensation or different performance fee terms. TCM has adopted policies and procedures to operate in a manner whereby all its Clients are treated fairly and equitably and to minimize the risk of any potential conflict of interest.

In addition, because the Management Fees and Incentive Allocations are based directly on the net asset value of the Funds, TCM has a conflict of interest in valuing the assets held in the Funds. In order to mitigate this conflict, TCM has established formal policies governing the valuation of the Funds' investments and will routinely consult with its third-party administrator and prime broker for guidance.

## **Types of Clients**

TCM provides investment advisory services to the Funds. Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner and/or directors of each Fund and not individually to Fund Limited Partners. Limited Partners in the Funds may include, but are not limited to, high net worth individuals, trusts, family offices, institutional investors, and current or former TCM employees. The minimum investment requirement to invest in the Funds is generally \$1 million for the Standard Share Class and generally \$15 million for both the Institutional Share Class and the Founders Share Class; however, at its discretion, TCM may accept a lesser amount for each aforementioned share class.

TCM, the General Partner, and the Funds have entered into an agreement with a strategic investor in the Funds (such investor collectively with its affiliates, the "Strategic Investor"). The Strategic Investor has made a significant and early investment in the Funds, which is subject to an initial lock-up period. In consideration for such investment, the Strategic Investor has been designated

a Special Limited Partner and is entitled to be allocated a portion of the Incentive Allocation otherwise allocable to the General Partner (as described above). The Strategic Investor has no ownership or interest in TCM or the General Partner, and has no obligations or responsibilities to, and will not be involved in the management of, the Funds. The agreement with the Strategic Investor will terminate if the Strategic Investor ceases to maintain a significant investment in the Funds.

Each Limited Partner is required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Regulation D under the Securities Act of 1933, as amended, or a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. Complete details concerning applicable Limited Partner eligibility criteria are set forth in each Fund’s Offering Documents and subscription materials.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### General

The Funds’ investment objective is to generate long-term capital appreciation based on TCM’s security selection and portfolio construction. TCM seeks to achieve this investment objective primarily by investing in long and short positions in global equity securities across all industries and market capitalization ranges, and may utilize options and futures instruments.

TCM employs a bottom-up, fundamental approach to stock selection with a macro overlay and a focus on financial productivity and valuation. TCM’s fundamental research activity is structured around the assessment of the primary drivers of financial returns, and its investment philosophy is based on the belief that intrinsic value is determined by future financial productivity. TCM seeks to identify undervalued issuers for the Funds’ long portfolio and overvalued issuers for the Funds’ short portfolio, as distinguished by business fundamentals and financial returns. TCM’s investment strategy includes both “growth” and “value” oriented investments, and the Funds may also, from time to time, invest in “special situation” issuers.

### Research Process

The Firm generally expects to analyze a broad number of investment opportunities for the Funds across diverse geographical regions and industries. The Firm conducts its own fundamental investment research and analysis on individual issuers in a manner that is disciplined and consistent, despite fluctuations in market conditions, economic activity, or a focus on long or short investments.

The Firm generally employs a five-step investment process that includes:

1. Idea Discovery;
2. Financial Statement Analysis;
3. Issuer Research;
4. Valuation Methodology; and
5. Portfolio Construction.

Idea discovery is generated from multiple sources, but is primarily a function of an independent quantitative screening process aligned with TCM's investment philosophy. In addition, the Firm supplements its idea discovery with the day-to-day fundamental issuer and industry research that it performs, which is a by-product of the Firm's business model knowledge, business cycle investing, and a history of industry coverage across a global universe of corporate entities.

Investment research is generally expected to begin with the evaluation of an issuer's historical business returns, which requires financial statement analysis and a review of the issuer's capital structure. This initial, but primary, research generally leads to discussions with the issuer's management, competitors, the supply chain, vendors, and customers. Primary on-site issuer visits, when available, are designed to enable TCM to calibrate an issuer's business fundamentals and enhance the Firm's understanding of the management team's ability to execute against their stated objectives and business prospects.

Through primary issuer research, the Investment Manager seeks to understand and assess business returns, as well as any changes that may occur within industries, the competitive environment, or issuer-specific events that can positively or negatively affect business prospects. TCM seeks to incorporate financial modeling and research facts, coupled with industry and business model insights, to support its investment thesis.

TCM's investment team reviews the Funds' portfolio of current holdings and pipeline of investment opportunities on an ongoing basis.

### Risk of Loss

Prospective Limited Partners should consider the Funds to be a speculative investment, as it is not intended to be a complete investment program. The Funds are designed only for sophisticated persons who are able to bear the risk of the loss of their entire investment in the Funds. Prospective Limited Partners should carefully evaluate the following risks before making an investment in the Funds. Following is a summary of certain risks relevant to an investment in the Funds. A complete description of risk factors relevant to the Funds can be found in their respective Offering Documents.

#### *Short Sales*

The Firm may engage in short selling. Short selling, or the sale of securities not owned by the Firm, involves certain risks. Such transactions expose the Firm to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Firm in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Firm might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

#### *Special Situations*



The Firm 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, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Firm of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Firm may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Firm may invest, there is a potential risk of loss by the Firm of its entire investment in such companies.

#### *Emerging Markets Regulatory and Legal Risks*

The Firm may invest in emerging markets. In emerging markets, there may be less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in other more established countries. Whatever supervision is in place may be subject to manipulation or control. While many emerging market countries have mature legal systems comparable to those of more developed countries, others do not. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. The Firm may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-United States courts.

#### *High Yield Securities*

The Firm may invest in "high yield" bonds and preferred securities that are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because Limited Partners generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and Limited Partner perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

#### *Leverage*

The Firm utilizes leverage. Leverage increases returns to Limited Partners if the Firm earns a greater return on leveraged investments than the Firm's cost of such leverage. The use of leverage; however, exposes the Firm to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Firm not borrowed to make the investments, (ii) margin calls or changes in margin requirements that may force premature liquidations of investment positions, (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Firm's cost of leverage related to such investments and (iv) fluctuations in interest rates on the Firm's borrowings, which may have a negative effect on the Firm's profitability. In case of a sudden, precipitous drop in the value of the Firm's assets, the Firm might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Firm.

### *Derivatives*

The Firm may utilize both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy. These instruments can be highly volatile and expose Limited Partners to a high risk of loss. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value, incorrect collateral calls or delays in collateral recovery.

### *Cybersecurity Risk*

The Firm and its service providers, including banks, broker dealers, custodians and their affiliates, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information, unauthorized asset transfers and various other forms of cybersecurity breaches. Cyber-attacks affecting the Firm or its service providers may adversely impact the Firm. For instance, cyber-attacks may interfere with the processing or execution of Fund transactions, cause the release of confidential information, including private information about Limited Partners, subject the Firm or its affiliates to regulatory fines or financial losses, or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds), affecting any of the Firm's key service providers, such as banks, broker dealers, custodians or other counterparties holding assets of the Firm, may cause significant harm to the Firm, including the loss of capital. Similar types of cybersecurity risks are also present for issuers of securities in which the Firm may invest. These risks could result in material adverse consequences for such issuers, and may cause the Firm's investments in such issuers to lose value.

### *Counterparty and Settlement Risk*

To the extent the Firm invests in swaps, derivatives or "synthetic" instruments, repurchase agreements, other over-the-counter transactions or non-U.S. securities or engages in securities

lending, the Firm may take a credit risk with regard to parties with which it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Any such default by a trading counterparty could result in losses to the Firm due to the delay of settlement of a transaction, loss of market gains or, in certain circumstances, loss of a portion or the full amount of the notional value of the transaction.

#### *Lack of Liquidity of Fund Assets; Valuation*

Fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

### **Disciplinary Information**

TCM and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Limited Partner's evaluation of the company or its personnel.

### **Other Financial Industry Activities and Affiliations**

As noted above, Thames Capital GP, LLC, a related entity of TCM, is the General Partner of the Master Fund and the Domestic Feeder Fund and also serves as an adviser and provides administrative services to the Offshore Feeder Fund. Additionally, the Funds themselves may be considered related entities of TCM.

#### Conflicts of Interest

Mr. Genzer, TCM's Portfolio Manager and Managing Member, owns and operates a family office that invests in merchant healthcare receivables and shares office space and infrastructure with TCM. There will generally be no overlap between the Funds' investments and the investments of the family office, but certain of TCM's employees, including officers and investment staff, may also be employees of the family office. The employees of the family office are subject to TCM's compliance policies and procedures.

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

#### Code of Ethics

TCM has adopted a written code of ethics that is applicable to all employees. Among other obligations, the code of ethics requires TCM and its employees to act in Clients' best interests, abide by all applicable regulations, and avoid even the appearance of insider trading. TCM does not permit its employees to maintain personal trading accounts to transact in single name securities; however, employees may, with the prior consent of the Chief Compliance Officer, sell interests in such securities obtained prior to commencing employment with TCM.

As required by the Advisers Act, Employees must have written clearance for all transactions involving IPOs or private placements before completing the transaction. TCM may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper.

The code of ethics is communicated to employees upon commencement of their employment at the Firm. TCM's personal securities transactions policies and procedures apply to all accounts holding any securities over which employees have any beneficial ownership interest, which typically include accounts held by immediate family members sharing the same household. Employees' brokers are also required to provide periodic reports regarding transactions and holdings in "Reportable Securities" as defined in the Advisers Act. A copy of TCM's code of ethics is available upon request.

#### Participation in Client Transactions

As noted, the General Partner and certain TCM employees invest in the Feeder Funds and the Master Funds. As a result, TCM and its related persons have an interest in investments that are also recommended to Clients.

## **Brokerage Practices**

#### Selection of Brokers and Dealers

TCM utilizes the brokerage and execution services of BTIG Trading, LLC ("BTIG"). BTIG provides an outsourced trading solution to money managers by aggregating orders for a number of buy-side clients. The following factors, among others, were originally, and are on an on-going basis, considered by TCM in its determination to enter into a trading relationship with BTIG:

- i. increased liquidity;
- ii. ability to access a variety of market venues;
- iii. greater capability in connection with executing a transaction;
- iv. anonymity;
- v. ability to obtain research from sell side broker-dealers with whom BTIG maintains trading relationships that TCM otherwise would not have access to; and
- vi. the timeliness of executions.

The execution costs associated with transactions executed through BTIG are typically higher than the Funds might otherwise pay due to the fact that BTIG is interposed in the transaction and is compensated for working each particular order provided to it by TCM. TCM believes that the use

of an agent in such instances is consistent with its duty of obtaining best execution for its Clients. TCM would execute such transactions with a broker, dealer or market maker directly if it believed that doing so would be favorable compared to executing on an agency basis, as a broker may, in certain cases, have greater expertise or greater capability in connection with both accessing the market and executing a transaction.

#### Soft Dollar Benefits

TCM has entered into a client commission arrangement with BTIG Commission Management, an affiliate of its outsourced brokerage and execution provider, BTIG. While all transactions are made on a “best execution” basis, it is not TCM’s practice to negotiate “execution only” commission rates; thus, the Funds may be deemed to be paying for research, brokerage or other services provided by BTIG which are included in the commission rate. These additional commissions will be allocated to a soft dollar account. TCM will limit the use of these “soft dollars” to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)").

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services.

Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

In some instances, TCM may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, TCM will make a good faith effort to determine the relative proportion of the product or service used to assist TCM in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting TCM in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by TCM from its own resources.

Research products or services provided to TCM include, but are not limited to, research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and other products and services providing lawful and appropriate assistance to TCM in the performance of our investment decision-making responsibilities. This research may include both proprietary research or research created or developed by a third party.

Research and brokerage services obtained by the use of commissions arising from the Funds' portfolio transactions may be used by TCM in its other investment activities and thus, the Funds may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

### Trading Errors

TCM has adopted a policy for the purpose of addressing trade errors that may arise, from time to time, with respect to the Funds' securities transactions. TCM seeks to identify and correct any trade errors in an expeditious manner, including by cancelling or breaking a trade. To the extent an error is caused by a third party, such as a broker-dealer, TCM will strive to recover any losses associated with such error from such third party. Unless TCM determines that a trade error has occurred as a result of bad faith, gross negligence, willful misconduct or violation of applicable laws; error losses will be borne by (and any gains will benefit) the Funds, pursuant to the Funds' governing documents. All trade errors will be addressed in a timely manner and prompt corrective trading shall be undertaken in order to mitigate the effect of any errors. The determination of whether or not a trade error has occurred will be made in the sole and absolute discretion of TCM.

### Best Execution Reviews

As part of its fiduciary duty to Clients, TCM has an obligation to seek the best price and execution of Client transactions when TCM is in a position to direct brokerage transactions. While not defined by statute or regulation, "best execution" generally means the execution of Client trades at the best net price. As stated above, TCM outsources its brokerage and execution functions to BTIG. In light of this arrangement, BTIG is responsible for selecting the trading venue, including the executing broker-dealer. To fulfill its best execution obligations, however, TCM will, among other things, assess the quality of BTIG executions of the Funds' trades on a daily basis. TCM may also request reports from BTIG sufficient to demonstrate how it seeks best execution for the Fund, including factors considered when selecting the executing broker-dealer or counter party.

In addition to evaluating the quality of trade executions on a daily basis, the Investment Committee will be responsible for performing formal best execution reviews which will generally be conducted on an annual basis.

### Client Referrals

TCM may place transactions with a broker or dealer that (i) provides TCM (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers Limited Partners to the Funds if otherwise consistent with seeking best execution; provided TCM

does not select broker-dealers in recognition of the opportunity to participate in such capital introduction events or the referral of Limited Partners.

## **Review of Accounts**

The Funds under TCM's management are monitored on an ongoing basis by the Investment Committee members and the Chief Compliance Officer. Reviews of the Funds occur on a daily basis. These reviews include an assessment of: the valuations of the individual securities within the portfolio, an independent reconciliation of the previous day's trade breaks, cash position, long positions, short positions, and total equity with TCM's prime broker, the portfolio weightings of individual positions, the level of available cash and equivalents, and the various industry concentrations, as dictated by the Funds' governing documents.

TCM provides each Limited Partner with the following reports on a periodic basis in accordance with the terms of the applicable Fund's Offering Documents:

- Monthly estimated performance and average monthly exposures.
- Monthly factsheet including final sector performance and exposures plus final geographic performance and exposures, in addition to liquidity analysis.
- Final monthly Limited Partner statement prepared by the Funds' administrator, SS&C.
- Quarterly Limited Partner letters written by Jay Genzer, portfolio manager.

## **Client Referrals and Other Compensation**

TCM does not receive any economic benefit from someone who is not a Client. Moreover, TCM does not directly or indirectly compensate any third-party for referrals.

## **Custody**

Pursuant to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), TCM is deemed to have custody of certain Client funds and securities because of the authority TCM or its affiliates have over these assets. TCM's general policy is to ensure that Client funds and securities are maintained with qualified custodians.

Pursuant to the Custody Rule and applicable guidance, TCM maintains compliance by ensuring that:

- The Funds are audited on an annual basis by an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules.
- It distributes audited financial statements prepared in accordance with generally accepted accounting principles to all members, Limited Partners or other beneficial owners within 120 days of the end of its fiscal year of the Funds.

## **Investment Discretion**

TCM provides investment advisory services on a discretionary basis to Clients and is authorized to determine, on behalf of its Clients, how much and which securities are to be bought or sold, broker or dealers to be used and commission rates to be paid. In exercising discretion, TCM follows the general investment guidelines set forth in each Client's respective offering and other governing documents. Prospective Limited Partners are provided with offering and other governing documents prior to their investment and are encouraged to carefully review such documents and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Limited Partners must also execute certain governing documents such as a subscription agreement in which they make various representations, including representations regarding their eligibility to invest in TCM's private funds.

The Funds and/or the General Partner of the Funds may from time to time enter into agreements (also known as "side letters") with prospective or existing Limited Partners granting certain rights and terms other than those described in the Funds' Offering Documents, including, without limitation, rights and terms that differ with respect to asset-based fees, performance-based allocations, and withdrawal rights. The decision to enter these agreements are solely at the discretion of the General Partner and may, among other things, be based on the size of the Limited Partner's investment in the Funds, an agreement by a Limited Partner to maintain such investment in the Funds for a significant period of time, or other similar commitment by a Limited Partner to the Funds.

## **Voting Client Securities**

In accordance with its fiduciary duty to Clients and Rule 206(4)-6 under the Advisers Act, TCM has adopted and implemented written policies and procedures governing the voting of Client securities. All proxies that TCM receives will be treated in accordance with these policies and procedures. If a material conflict of interest is identified during TCM's evaluation of a proxy matter, TCM will determine whether voting in accordance with the guidelines set forth in its established policies and procedures is in the best interests of the Funds, or take some other appropriate action.

TCM has entered into an agreement with Broadridge Financial Solutions, an independent third party, to facilitate the electronic voting of proxies through its ProxyEdge solution, and to provide one central source for the documentation and maintenance of TCM's proxy voting records. The CCO provides proxy notifications to the Portfolio Manager for review, and votes through ProxyEdge with confirmation from the Portfolio Manager. TCM will generally vote with the recommendations of management unless a material conflict or other issue is identified. The CCO ensures that all required documentation associated with proxy voting is retained.

A copy of TCM's proxy voting policies and procedures, as well as specific information about how TCM has voted in the past, is available upon written request.

## **Financial Information**



This Item is not applicable.