

**Item 1.      Cover Page**

**DISCLOSURE BROCHURE**

(FORM ADV, PART 2A)

**Ramius Advisors, LLC  
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**March 30, 2020**

**This brochure provides information about the qualifications and business practices of Cowen Investment Advisors LLC, which primarily conducts its advisory business as Ramius Advisors, LLC. If you have any questions about the contents of this brochure, please contact Investor Relations at [investor.relations@cowen.com](mailto:investor.relations@cowen.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Ramius Advisors, LLC is registered as an investment adviser with the SEC under its legal name, Cowen Investment Advisors LLC. Registration does not imply a certain level of skill or training.**

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

**Please retain a copy of this brochure for your records.**

**Item 2.      Material Changes**

Material changes with respect to the Form ADV of Ramius Advisors LLC (the “Adviser”) have been made since its last annual updating amendment was filed on March 29, 2019.

Item 4: Updated to include disclosure regarding certain advisory clients that receive non-discretionary investment advice from a third-party sub-advisor.

Item 5: Updated to include disclosure regarding certain advisory clients that receive non-discretionary investment advice from a third-party sub-advisor. Also updated to include new disclosure regarding performance compensation for certain private funds that no longer offer investors the ability to redeem. Additional disclosure about other fees was moved from Item 6 to Item 5.

Item 6: Additional information was added about the types of investors that have invested in and may in the future invest in the Adviser’s clients.

Item 8: Additional risk factors were added to Item 8 and certain conflicts of interest disclosures were updated.

Item 10: Disclosure regarding the Adviser’s broker-dealer and advisory affiliates was updated to reflect new affiliations as well as affiliations that no longer exist.

Item 11: Disclosure about personal trading by employees was updated to reflect the Adviser’s current policies and procedures.

Item 15: Disclosure language regarding the Adviser’s custody over advisory client funds and securities was updated.

Item 16: Additional disclosure was added regarding the sub-advisory relationship of certain private fund clients.

Item 17: Information on how to obtain copies of relevant proxy logs, identifying how proxies were voted in connection with an advisory client and copies of proxy voting policies was added.

**Item 3.      Table of Contents**

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#### **Item 4. Advisory Business**

Cowen Investment Advisors LLC (the “**Adviser**”) is a Delaware Limited Liability Company formed in 1997. The Adviser is an indirect, wholly owned subsidiary of Cowen Inc., a publicly traded company (“**Cowen**”). The Adviser changed its legal name to Cowen Investment Advisors LLC on May 16, 2017; notwithstanding the legal name change, the Adviser continues to do business as Ramius Advisors, LLC.

The Adviser provides discretionary investment management services to the following types of advisory clients: (i) private investment partnerships and offshore investment funds that are offered to investors on a private placement basis (each a “**Private Fund**” and collectively “**Private Funds**”), (ii) a collective investment scheme formed pursuant to the Undertakings for Collective Investment in Transferable Securities – commonly known as a “**UCITS Fund**,”<sup>1</sup> and (iii) on a sub-advisory basis, a company registered under the Investment Company Act of 1940 (a “**RIC**”). The term “**Client**” collectively refers to all Private Funds, the UCITS Fund, and the RIC. While not considered an advisory client, the Adviser also manages a proprietary securities portfolio that is beneficially owned by its parent company, Cowen Inc. and may advise additional securities portfolios beneficially owned by other related parties, all of which may be included in the reference to “Clients” in this brochure when relevant.

This brochure generally includes information about the Adviser and its relationships with its Clients and affiliates. While much of this brochure applies to all such Clients and affiliates, certain information included herein applies to specific Clients or affiliates only. This brochure does not constitute an offer to sell or solicitation of an offer to buy any securities.

The descriptions set forth in this brochure of specific advisory services that the Adviser offers to its Clients, and investment strategies pursued and investments made by the Adviser on behalf of its Clients, should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that the Adviser considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

The Adviser's investment decisions and advice with respect to its Clients are subject to each Client's investment objectives and guidelines, as set forth in its respective offering documents/investment management agreement, as applicable (generally referred to herein as “**Offering Materials**”). The Adviser has full discretionary authority with respect to investment decisions made on behalf of its Clients. Certain Private Funds have non-discretionary sub-advisory agreements with an unaffiliated registered investment adviser with respect to certain investments in their respective portfolios.

As of January 1, 2020, the Adviser managed approximately US\$ 853,000,000 of assets under management on a discretionary basis.<sup>2</sup> This number is calculated in accordance with U.S. Generally Accepted Accounting Principles and is based on estimated and unaudited information as of such date and is therefore subject to change. The Adviser does not currently manage any non-discretionary Client assets or participate in any wrap fee programs.

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<sup>1</sup> Currently the Adviser manages a single UCITS Fund sponsored by CM Investment Solutions Limited.

<sup>2</sup> The client assets under management reported in this brochure differ from the regulatory assets under management (“**RAUM**”) reported in Form ADV Part 1A Item 5 because the assets under management reported in this brochure are calculated on a net basis and do not include the value of the proprietary securities portfolios beneficially owned by Cowen.

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

The fees applicable to each Client are set forth in detail in their respective Offering Materials. Generally, Clients pay the Adviser a fee for investment management services (the “**Management Fee**”). Certain Clients may also charge a performance-based fee or profit allocations (“**Performance Compensation**”).

Certain Clients may invest in underlying single strategy investment vehicles also managed by the Adviser or an affiliate of the Adviser. In order to avoid layering of fees, in such cases the Adviser may charge a fee with respect to such assets equal to the greater of the fee charged by either (i) the Client or (ii) the applicable underlying single strategy investment vehicle. Certain Clients may also invest in exchange traded funds or other third-party investment products; in such cases, advisory compensation charged by the applicable third-party investment adviser will be paid by a Client in addition to the advisory compensation outlined herein which is paid to the Adviser.

Finally, certain Private Funds utilize the services of a third-party sub-advisor that is entitled to a portion of the advisory compensation paid to the Adviser (if any). The sub-advisor’s non-discretionary investment services are limited to certain investments held in each relevant Private Fund portfolio. Full details regarding the services, fees, investor suitability standards, and other terms applicable to Clients are included in their respective Offering Materials.

Management Fees are based on a percentage of the Client’s assets under management at annual rates between approximately 0.75% to 2%. Management Fees are generally charged monthly or quarterly for such period during which the Adviser performed the services to which the fees related.

The Adviser may also receive Performance Compensation from certain Clients. The calculation and payment of Performance Compensation varies among the Adviser’s Clients and is described in detail in the each Client’s Offering Materials, if applicable. Certain Clients may pay Performance Compensation on a daily, monthly or quarterly basis (depending upon the Client) for the period during which the Adviser performed the services to which such Performance Compensation relates. Performance Compensation paid in this manner is generally equal to between 10% and 20% of net realized and unrealized profits for each year after restoration of any losses carried forward from prior years.

In 2016, the Adviser reassessed the application of the loss carryforward in its Performance Compensation calculation for certain Private Funds that no longer offer its investors the ability to redeem. Under the existing method, any distribution made to Private Fund investors reduced the high water mark applicable to each Private Fund investor on a pro-rata basis. The new method recalculates the high water mark based on a dollar-for-dollar reduction for any distribution made to the Private Fund investor during the period commencing June 30, 2010 and thereafter. The new methodology is only applied by the Adviser if it results in a reduction of performance fees charged to such Private Fund investor.

The Adviser does not require prepayment of advisory fees by any Client. For the avoidance of doubt, the Adviser, in its sole discretion, may modify, waive, reduce, or rebate any Management Fee or Performance Compensation or calculate such fees differently with respect to any class, sub-class or series of shares or limited partnership or limited liability company interests of any Private Fund held by or on behalf of any investor, including, without limitation, employees and their family members, as well as friends and affiliates of the Adviser. Such modifications, waivers, reductions, or rebates may be made by the Adviser both voluntarily and on a negotiated basis with selected investors in a Client via side letter and other arrangements, which may not be disclosed to other investors in the same Client. In addition, Management Fees and/or Performance Compensation may also be calculated differently with respect to, or may not be charged to, certain Managed Accounts including securities portfolios beneficially owned by the Adviser’s

parent company, if any. As noted above, full details regarding services, fees, investor suitability standards, and other terms applicable to Clients are included in their respective Offering Materials.

### Direct Expenses

Each Client is responsible for expenses related to its respective operations and activities, including expenses associated with its investment portfolio and, if applicable, its proportionate share of the direct expenses of the third-party investment products in which it invests. The direct expenses incurred by each Client, which are outlined in detail in their respective Offering Materials, as applicable, may vary depending on the nature of the operations and activities of the Client.

Below is a summary of the direct expenses typically borne by each type of Client. The summary is not meant to be a complete list of all direct expenses; nor should it be inferred that each expense appearing in the summary will be incurred by every Client. Client investors are advised to read the relevant Offering Materials for a complete description of applicable direct expenses.

Generally, expenses related to operations and activities include, but are not limited to, the following: organizational and offering expenses, fees payable to the Adviser, third-party administrator and other investment expenses (*e.g.*, expenses that the Adviser reasonably determines to be related to the investment of Client assets, such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, premiums paid for options, swaptions, and other derivative instruments, bank service fees and interest expenses); operational expenses; expenses incurred with respect to due diligence; investment-related travel and entertainment expenses; the cost of computer hardware and software to the extent used for research relating to the Client's investments; legal and compliance expenses (including, without limitation, the fees and expenses of attorneys and compliance professionals retained by the Adviser on behalf of a Client as well as the cost of salary and other compensation payable to one or more attorneys or compliance professionals who are employees of the Adviser or one or more of its affiliates, but only to the extent that such cost is attributable to work performed for the benefit of a Client); professional fees (including, without limitation, expenses of consultants and experts) relating to investments; accounting expenses (including the cost of accounting software packages); auditing and tax preparation expenses (whether provided by the employees of the Adviser or another party); costs of printing and mailing reports and notices; taxes; corporate licensing; regulatory expenses (including, whether reported directly by the Client or the Adviser, the costs and expenses related to a Client's U.S. and/or non-U.S. registration, regulatory and self-regulatory filings, reporting, registrations and memberships, and compliance including without limitation the costs of compliance reporting programs, third-party compliance consultants including the costs and expenses associated with complying with the requirements of any new or additional regulatory regime); insurance expenses; expenses incurred in connection with the offering and sale of the interest and other similar expenses related to a Client; and extraordinary expenses incurred by or relating to a Client or its activities and assets; and any other fees or expenses incurred by the Adviser or such Client in connection with such Client's operations that are not specifically set forth in the Offering Documents as being paid by the Adviser. For more information on brokerage costs please see Item 12.

As a general matter, the RIC and the UCITS Fund are generally responsible for their own operating expenses. The RIC's operating expenses are typically borne directly or indirectly by its shareholders and may include (but are not limited to): legal fees and expenses of counsel to a RIC and a RIC's independent trustees; insurance (including trustees' and officers' errors and omissions insurance); auditing and accounting expenses; taxes and governmental fees; listing fees; dues and expenses incurred in connection with membership in investment company organizations; fees and expenses of a RIC's custodians, administrators, transfer agents, registrars and other service providers; expenses for portfolio pricing services by a pricing agent, if any; other expenses in connection with the issuance and offering of shares;

expenses relating to investor and public relations; expenses of registering or qualifying securities of a RIC for public sale; brokerage commissions and other costs of acquiring or disposing of any portfolio holding of a RIC; expenses of preparation and distribution of reports, notices and dividends to shareholders; expenses of the dividend reinvestment plan; compensation and expenses of trustees; any litigation expenses; and costs of shareholders' and other meetings. The UCITS Fund's operating expenses typically include (but are not limited to) expenses related to investing and holding capital and investments, such as brokerage commissions and charges, stamp duty, ticket charges, trade execution, clearing and settlement charges, custodial fees, bank service fees, interest expense and all similar transaction charges and taxes, as well as, taxes, directors fees and applicable directors and officers insurance, registration fees, bank fees, as well as external research expenses, expenses associated with legal counsel and certain other agents and consultants retained by or on behalf of a UCITS Fund adviser. UCITS Funds are also responsible for their own distribution and administrative fees. The UCITS Fund managed by the Adviser pays an administrative fee of 0.40% per annum and a distribution fee (that varies by share class) to an affiliate of its sponsor, CM Investment Solutions Limited.

#### Other Fees

Finally, the Adviser and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of Clients that will not be subject to a Management Fee reduction or offset or otherwise shared with Clients, their investors, and/or the investments. For example, airline travel or hotel stays incurred as Client expenses typically may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the Adviser and/or such personnel (and not Clients, their investors, and/or the investments), even though the cost of the underlying service is borne by the Clients and/or portfolio companies. In addition, airline travel incurred as a Client expense for an Adviser personnel travelling for appropriate Client-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Client-related matters) may benefit such Adviser personnel to the extent the trip also serves a personal purpose.

The Adviser has and may again in the future, in its discretion, recruit consultants or retain the services (for a fee) of one or more third-party business executives who, in the good faith determination of the Adviser, possess relevant experience or expertise to serve as an advisor or consultant to the Adviser or a Client. These consultants may also receive compensation and expense reimbursement for providing services to the portfolio companies in which a Client invests. Such, which includes compensation for services may include: on boards of directors, compensation for service as interim executives and consulting-related compensation, which involves both fixed and incentive compensation. Compensation may include (i) an annual fee, (ii) a discretionary performance-related bonus, (iii) a portion of the carried interest received by a general partner or managing member of a Client, or (iv) the opportunity to invest in one or more Clients or specific transactions on a no-fee basis. The Adviser will ensure any expenses incurred by the Adviser and reimbursed by a Client for such consultants are eligible to be reimbursed pursuant to each applicable Client's Offering Documents.

To the extent not addressed above, the Adviser will allocate such fees and expenses in its sole discretion, in each case using good faith and its best judgment. The Adviser will ensure any expenses incurred by the Adviser and reimbursed by Client are eligible to be reimbursed pursuant to each applicable Client's Offering Materials.

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

The Adviser accepts Performance Compensation from certain Clients. However, Performance Compensation may not be accepted from all Clients. As described above in Item 5, the Adviser may

charge certain Clients Performance Compensation in addition to Management Fees. Full details regarding the applicable services, fees, investor suitability standards, and other terms are included in a Client's Offering Materials. To the extent applicable, the Adviser structures any Performance Compensation in accordance with the available exemptions granted under federal rules.

The variation of Performance Compensation structures among Clients may create an incentive for the Adviser to direct the best investment opportunities to, or to allocate or sequence trades in favor of Clients that have Performance Compensation obligations to the Adviser or to Clients that pay a greater level of Performance Compensation than other Clients with lower or no Performance Compensation structure, including the RIC sub-advised by the Adviser. The Adviser is committed to allocating investment opportunities on a fair and equitable basis and has established policies and procedures designed to address and mitigate the conflict of interest described above.

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

As described above in Item 4, the Adviser's Clients include Private Funds, a UCITS Fund, and a RIC (on a sub-advisory basis). While it does not meet the definition of an advisory client, the Adviser also manages a proprietary securities portfolio beneficially owned by its parent company, Cowen Inc. and may advise additional securities portfolios beneficially owned by other related parties. The Adviser may advise both U.S. and non-U.S. Clients. The types of investors that have invested in and may in the future invest in the Adviser's Clients include, but are not limited to: high net worth individuals, family offices, private funds, insurance companies, corporations, trusts, non-profit organizations, sovereign wealth funds, private pension plans, public pension plans, and banking and thrift institutions.

Certain Clients (*i.e.* Private Funds) may be organized as domestic or offshore (non-U.S.) companies, limited partnerships, limited liability companies, corporate trusts, or other legal entities, as determined appropriate by the Adviser. The UCITS Fund advised by the Adviser is incorporated in Luxembourg and organized as an umbrella investment company with variable share capital. The RIC sub-advised by the Adviser is organized as a Massachusetts business trust.

As a general matter, each Client is managed in accordance with its investment objectives, strategies and guidelines and, unless the Client is a Managed Account, investment advisory services are not tailored to the individualized needs of any particular investor. In addition, an investment in a Private Fund, a UCITS Fund or a RIC does not, in and of itself, create an advisory relationship between the investor and the Adviser. Therefore, investors must consider whether such an investment meets their investment objectives and risk tolerance prior to investing. Information about a Client, including its investment risk, can be found in its investment management agreement and/or offering materials, as applicable. Certain non-U.S. affiliates may act as placement agents with respect to the distribution of Private Funds to investors outside the U.S. While this brochure may be provided to, and include information relevant to investors, this brochure is designed solely to provide information about the Adviser and should not be considered to be an offer of interests in any Client.

Investors in Clients that are exempt from the registration requirements under the Company Act pursuant to Section 3(c)(7) are required to qualify as a "qualified purchaser" within the meaning of Section 2(a)(51) of the Company Act and is required to certify that it is at least an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act and non-U.S. investors (but for UCITS Fund investors) are required to certify that they meet the requirements of the Regulation S safe harbor under the Securities Act; however, investors in Clients that do not pay Performance Compensation to the Adviser will only be required to qualify as an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act. As noted above in Item 6, the Adviser structures any Performance Compensation subject to applicable federal rules and in accordance with the available exemptions granted



under those rules. Investors may be subject to additional eligibility requirements and are strongly encouraged to review their Client's Offering Materials for full details on all applicable investor qualifications.

The Adviser's employees (including, but not limited to, the Adviser's investment strategy personnel) who are qualified purchasers, "knowledgeable employees" (as defined in Rule 3c-5 under the Company Act) or who meet a Client's eligibility criteria and certain other eligible employees of the Adviser may be offered the opportunity to invest in any commingled Client vehicle formed and offered by the Adviser.

Pursuant to an exemption, the Adviser (and/or relevant general partner, if any) does not expect to be required to register, and will not be registered, with the U.S. Commodities Futures Trading Commission ("**CFTC**") as a commodity pool operator or as a commodity trading advisor.

Certain of a Client's may operate using "master-feeder" structures, pursuant to which trading operations reside in a "master fund" while investors may access the master fund directly or may invest through one or more "feeder funds" that, in turn, invest (directly or indirectly) in the master fund.

The Adviser and its related persons may invest in and/or serve as general partner or managing member, or on the board of directors or advisory board, of a Client and may provide services other than advice (including, but not limited to, administration, organizing and managing the business affairs, executing and reconciling trades, preparing financial statements and providing audit support, preparing tax related schedules or documents, legal and compliance support, and sales and investor relations support, diligence and valuation services) to such Client, in some cases for a fee separate and apart from the advisory fee. Certain Clients may pay/reimburse the Adviser for certain organizational and initial offering expenses and operating expenses.

With respect to Managed Accounts, the minimum investment is determined on a case-by-case basis and with respect to Private Funds, the minimum investment is expected to be \$1 million; provided that in each case the Adviser may accept lesser amounts in its discretion. The minimum investment for the RIC is \$1000 or \$1,000,000, depending upon the share class acquired by the investor. The minimum investment for the UCITS Fund is \$1,000 or \$1,000,000, depending upon the share class acquired by the investor (and in the denomination of such share class).

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

The descriptions provided herein regarding the investment strategies pursued and investments made by the Adviser on behalf of its Clients should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described herein, that the Adviser considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

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

The Adviser may engage in one or more of a number of strategies with respect to its Clients, including but not limited to: investments in transformative corporate events including merger arbitrage, shareholder activism and special situations; macro hedging and trading; hedging; distressed securities; long and short equity positions; fixed income positions; equity-oriented positions; and futures and commodities trading.

The Adviser may also purchase and/or sell on behalf of its Clients securities offered in private placements, including interests in other private investment funds, provided that all eligibility criteria for the acquisitions of such interests are satisfied. The Adviser may also invest the assets of certain Clients through other private investment funds managed by the Adviser or affiliates of the Adviser.

To the extent its use fits within a Client's investment objectives and guidelines, the Adviser may utilize financial leverage and/or enter into various derivative instruments including, but not limited to, warrants, options, forwards, swaps and futures contracts on behalf of its Clients. The descriptions provided above are only an attempt to summarize the strategies and securities/instruments that may be utilized on behalf of the Adviser's Clients. As the market environment continues to change, techniques and purchase instruments that are not disclosed in a Client's Offering Materials may be utilized on behalf of a Client if deemed to be appropriate by the Adviser. The Adviser may obtain advice from attorneys, accountants and other experts to assist in its analysis of various asset classes that it trades.

Investments in the Clients entail a number of risks. There can be no assurance that the investment programs of the Clients will prove successful, and certain investment practices can, in some circumstances, potentially increase any adverse impact on the Clients' investment portfolios. The Adviser's risk management approach seeks to isolate and mitigate, not eliminate, risk and there may be certain risks that the Adviser determines should not or cannot be hedged against. Accordingly, the Adviser's activities could result in substantial losses under certain circumstances. Investing in securities involves risk of loss that investors should be prepared to bear.

PAST PERFORMANCE RESULTS ARE NOT INDICATIVE OF FUTURE PERFORMANCE. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.

### **CERTAIN RISK FACTORS**

*The following risk factors and conflicts of interest do not purport to be a complete list or explanation of all the risks and conflicts of interest associated with the strategies pursued by the Adviser, the Adviser's method of analysis or the types of investment instruments utilized. Nor should it be inferred that each risk factor and conflict of interest discussed below will be faced by every Client. Certain risks may only apply to a particular investment strategy, type of investment or specific type of security or instrument. Certain risks may impact certain Clients directly while others may impact Clients indirectly.*

*The Adviser's risk management approach seeks to isolate and mitigate, not eliminate risk and there may be certain risks that the Adviser determines should not or cannot be hedged against. Accordingly, the Adviser's activities could result in substantial losses under certain circumstances and Clients (including their respective investors/beneficial owners) should be prepared to bear those losses. Client investors are advised to read all applicable Offering Materials for a more complete description of applicable risks.*

Dependence on the Adviser. There can be no assurance that a Client will achieve its investment objectives. Although certain of the Adviser's investment professionals have participated in the management of other investment funds and accounts, the past performance of such other investment funds and accounts cannot be relied upon as an indicator of a Client's own success. Investors must rely upon the ability of the Adviser and the Adviser's investment professionals in identifying and implementing investments consistent with each Client's investment objective and policies. A Client's investment performance depends largely on the skill of key personnel of the Adviser. If key personnel were to leave the Adviser, the Adviser might not be able to find equally desirable replacements, and the performance of a Client could, as a result, be adversely affected.

Investment Risks. There may be significant risks associated with investing in a Client of the Adviser including the risk that the entire amount invested may be lost. A Client will invest in securities using strategies and financial techniques with significant risk characteristics. No guarantee is made that a Client's investment objectives will be realized. There is no guarantee that a Client will be able to control associated investment risks or that the risks will not aggregate in a manner adverse to a Client.

Merger Arbitrage and Other Event-Driven Strategies. Merger arbitrage and other event-driven investment strategies generally incur significant losses when proposed transactions are not consummated or issuer modifications do not occur as anticipated or other expected events do not occur. The consummation of mergers, tender offers, exchange offers and other significant corporate events can be prevented or delayed by a variety of factors, including: (i) regulatory intervention; (ii) efforts by a target company to pursue a defensive strategy; (iii) the failure to obtain necessary shareholder approvals; (iv) adverse company, market or business conditions resulting in a material change or termination of the pending transaction; (v) additional requirements imposed by law; and (vi) the inability to obtain adequate financing. Any such events could lead to losses.

Equity Risk. The market price of securities owned by a Client may go up or down, sometimes rapidly or unpredictably. Clients are subject to the risk that the equity securities in each of their portfolios will decline in value due to factors affecting equity securities markets generally or particular industries represented in those markets. The values of equity securities may decline due to general market conditions, which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. Such values may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which the Adviser believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Adviser anticipates. As a result, a Client may lose all or substantially all of its investment in any particular instance.

Investment in Illiquid Securities. A Client may invest in illiquid investments, which are securities that are not readily marketable, only thinly traded or which the Adviser otherwise determines to be illiquid or lacking a readily ascertainable market value. Illiquid investments may include privately placed securities that are not registered under the Securities Act and may have little or no trading market. In many cases the fair market value of such investments may be difficult to ascertain, and there is a risk of mistaken valuations. In addition, a Client may not be able to readily dispose of such investments, and, in some cases, may be contractually prohibited or otherwise restricted from disposing of such securities for a specified period of time. These limitations on liquidity of such investments could prevent a successful sale thereof, result in delay of any sale or reduce the amount of proceeds that might otherwise be realized.

Concentration of Investments. Subject to applicable limitations in the offering document/investment management agreement, as applicable, a Client's portfolio may be concentrated. Any such lack of diversification would increase the risk of loss to a Client if there were a decline in the market value of any security or sector in which such Client had invested a large percentage of its assets. Investment in a "non-diversified" fund will generally entail greater risks than investments in a "diversified" fund.

Geographic Concentration. The Adviser expects that the primary geographic focus of a Client's investments will be in the North America and Europe although the Adviser may also pursue investments in additional international locations, including, but not limited to, Asia and Latin America (subject to any

limitations in the applicable offering document/investment management agreement and relevant jurisdictions). There will generally be no limitation on the level of concentration of investments in any one jurisdiction. Targeting a specific geographical area could hurt a Client's performance or cause such performance to be more volatile than a more geographically diversified Client.

Portfolio Turnover. The Adviser expects there will be no limit on the rate of portfolio turnover for any Client, and portfolio investments held by a Client may be sold without regard to the length of time they have been held when, in the opinion of the Adviser, investment considerations warrant such action. This could result in frequent trading. A high rate of portfolio turnover involves correspondingly greater expenses, leads to greater brokerage and other transaction costs, may reduce a Client's investment gains, may create a loss for investors and may result in taxable costs for investors, depending on the tax provisions applicable to such investors.

Tiered Fee Structure. Certain Clients may have a multi-manager portfolio and invest with a non-affiliated investment advisor. In such instances, the Client may bear multiple investment management fees, which may include incentive fees or incentive allocations that in the aggregate will exceed the fees that would typically be incurred by an investment in a Client that does not allocate to third-party investment advisors.

Fundamental Analysis. Certain strategies pursued by the Adviser may require the use of fundamental analysis. Fundamental analysis is premised on the assumption that markets are not perfectly efficient, that informational advantages and mis-pricings do occur and that econometric analysis can identify trading opportunities. Fundamental factors include inflation, trade balances, inventories and interest rates, all factors extrinsic to the market. Fundamental analysis may incur substantial losses if such economic factors are not correctly analyzed, not all relevant factors are identified and/or market forces cause mis-pricings to continue despite the traders having correctly identified such mis-pricings. Fundamental analysis may also be more subject to human error and emotional factors than technical analysis.

Technical Analysis. Certain of the Adviser's strategies may make use of mathematical analysis of technical data such as price, volume, and momentum. These strategies do not generally take into account fundamental factors except insofar as such factors may influence the technical data constituting input information for the strategy. Accordingly, technical systems may be unable to respond to markets reacting to fundamental causative events until after the impact of these events has ceased. Consequently, technical trading strategies can incur major losses when factors exogenous to the markets themselves — political events, natural catastrophes, acts of war or terrorism, etc. — dominate the markets. For example, even though a pending political or economic event may appear very likely to cause a major price movement, a number of underlying investment advisors would not adjust their trading positions until their programs indicated, as a result of market price movements, that they should do so.

Investment in Non-U.S. Securities. The Adviser expects its Clients to invest in non-U.S. securities. Such investments may be subject to a greater risk than U.S. investments due to non-U.S. economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, or capital gains, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities and other factors beyond the control of the Adviser. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting, reporting or disclosure requirements than U.S. issuers. The securities markets of some countries in which a Client may invest have substantially less volume than those in the United States, and securities of certain companies in these countries are less liquid and more volatile than securities of comparable U.S. companies. Accordingly, these markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities, than is usual in the United States. Brokerage

commissions and other transaction costs on securities exchanges in non-U.S. countries are generally higher than in the United States. Non-U.S. securities settlements may in some instances be subject to delays and related administrative uncertainties. In some countries, there are restrictions on investments or investors such that the only practicable way for a Client to invest in such markets is by entering into swaps or other derivative transactions with a prime broker or other intermediaries or counterparties. Such transactions involve counterparty risks that are not present in the case of direct investments and that the Adviser may not be able to control. Investments in companies with significant operations in emerging markets will be subject to all of the risks detailed above, as well as to various other risks that cannot currently be predicted with precision. Additionally, owing to the less developed political systems and markets often in place in emerging markets, the risks described above may be more pronounced with respect to a Client's investment in emerging markets than with respect to investments in other international markets. For example, any such investments may be subject to a greater risk of expropriation, confiscatory taxation, nationalization, or political, economic or social instability than present in more developed markets. In comparison to securities markets in more developed countries, securities markets in developing countries may be substantially less liquid, and may have greater volatility, greater fluctuations in the rate of exchange between currencies, and greater costs associated with currency conversions. Any of these factors could cause the Adviser not to pursue certain investments or to alter certain activities or liquidate certain investments prior to or after the time when the Adviser would otherwise prefer to liquidate such investments, and such factors may cause losses or have other negative impacts on a Client or its investments.

Investment in Small Companies. There is generally no limitation on the size or operating experience of the companies in which a Client may invest. Some small companies in which a Client may invest may lack management depth or the ability to generate internally or obtain externally a Client's necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small actors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

Short Sales. The Adviser may engage in short selling of securities, currencies or indices, including all forms of derivatives. A short sale will result in a gain if the price of the instrument sold declines sufficiently between the time of the short sale and the time at which another is purchased to replace it. A short sale will result in a loss if the price of the instrument sold short increases or does not decline sufficiently to cover transaction costs. Short sales on equities may expose a Client to theoretically unlimited losses, due to the lack of an upper limit on the price to which an investment can rise. Any gain would be decreased and any loss would be increased by the amount of any premium or interest which a Client may be required to pay with respect to the borrowed instrument.

Leverage. The Adviser has the power to cause certain Clients to borrow and may do so when it deems it necessary or advisable to provide efficient portfolio management or, in unusual circumstances, to take advantage of investment opportunities. The Adviser also may cause certain Clients to borrow when the Adviser deems it appropriate to meet withdrawal requests, which would otherwise result in the premature liquidation of investments. Leverage increases returns if a Client earns a greater return on investments purchased with borrowed Funds than such Client's cost of borrowing. However, the use of leverage exposes a Client to additional risks, including (i) greater losses from investments than would otherwise have been the case had such Client not borrowed to make the investments; (ii) margin calls or interim margin requirements that may force premature liquidations of investment positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds such Client's cost of borrowing. In the event of a sudden, precipitous drop in value of a Client's assets, such Client may not

be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by such Client.

Risks of Derivative Instruments. The Adviser may engage in a variety of derivative transactions. All derivative instruments, including options, forward contracts and swap contracts involve risks different from, and, in certain cases, greater than the risks presented by more traditional investments.

Many derivative instruments are subject to documentation risk. Because the contract for each over-the-counter derivative transaction is individually negotiated with a specific counterparty, there exists the risk that the parties may interpret contractual terms (*e.g.*, the definition of default) differently when a Client seeks to enforce its contractual rights. If that occurs, the cost and unpredictability of the legal proceedings required for a Client to enforce its contractual rights may lead the Client to decide not to pursue its claims against the counterparty. Also, payment amounts calculated in connection with standard industry conventions for resolving contractual issues (*e.g.*, ISDA Protocols and auction processes) may be different than would be realized if a counterparty were required to comply with the literal terms of the derivatives contract (*e.g.*, physical delivery). In addition, the literal terms of an over-the-counter contract may be applied in ways that are at odds with the investment thesis behind the decision to enter into the contract.

Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

In addition, many derivatives, in particular over-the-counter derivatives, are complex and often valued subjectively, which increases the risk of mispricing or improper valuation, and there can be no assurance that the pricing models employed by the Adviser will produce valuations that are reflective of levels at which such over-the-counter derivatives may actually be closed out or sold. This valuation risk may be more pronounced in cases where a Client enters into over-the-counter derivatives with specialized terms. Improper valuations may result in increased cash payment requirements to counterparties, under collateralization, errors in the calculation of a Client's net asset value and/or a loss of value to a Client. Furthermore, derivatives do not perfectly track the value of the assets, rates or indices they are designed to track. The risk may be more pronounced when outstanding notional amounts in the market exceed the amounts of the referenced assets. As further described herein, derivatives are also subject to other risks, including but not limited to market, management, counterparty documentation, liquidity and leverage risks.

Cleared Derivative Transactions. Certain derivatives transactions that may be used by a Client, including certain interest rate swaps and certain credit default index swaps, will be required to be cleared. In a cleared derivatives transaction, a Client's counterparty to the transaction is a central derivatives clearing organization, or clearing house, rather than a bank or broker. Since the Adviser is not a member of a clearing house, and only members of a clearing house can participate directly in the clearing house, Clients will hold cleared derivatives transactions through accounts at clearing members, who are futures commission merchants who are members of the clearing houses. A Client will make and receive payments owed under cleared derivatives transactions (including margin payments) through its accounts at clearing members. A Client's clearing members guarantee a Client's performance of its obligations to the clearing house. In contrast to bilateral derivatives transactions, following a period of advance notice to a Client, clearing members can generally require termination of existing cleared derivatives transactions at any time and increase the amount of margin required to be provided by a Client to the clearing member for any cleared derivatives transaction above the amount of margin that was required at the beginning of the

transaction. Any such termination or increase could interfere with the ability of a Client to pursue its investment strategy. Also, a Client is subject to execution risk if it enters into a derivatives transaction that is required to be cleared (or which the Adviser expects to be cleared), and no clearing member is willing to clear the transaction on a Client's behalf. In that case, the transaction might have to be terminated, and a Client could lose some or all of the benefit of any increase in the value of the transaction after the time of the trade.

Other Instruments and Future Developments. A Client may take advantage of opportunities in the area of swaps, options on various underlying instruments and swaptions and certain other customized "synthetic" or derivative investments in the future. In addition, a Client may take advantage of opportunities with respect to certain other "synthetic" or derivative instruments which are not presently contemplated for use by a Client or which are currently not available, but which may be developed to the extent such opportunities are both consistent with a Client's investment objective and legally permissible for a Client. Special risks may apply to a Client's investments in the future.

Fixed-Income Securities. The Adviser may cause a Client to invest in bonds or other fixed-income securities, including, without limitation, commercial paper and "higher yielding" (and, therefore, higher risk) debt securities. Such securities may be below "investment grade" and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated 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; lower-rated debt securities also tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue lower-rated debt securities often are highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could affect adversely the ability of the issuers of such securities to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities.

Swaps. The Adviser may utilize swaps and other derivative transactions to some degree where it believes it will further the objectives of a Client. Notional amounts of swap transactions are not subject to any limitations, and swap contracts may expose a Client to unlimited risk of loss. Swaps may be used as an alternative to futures contracts. To the extent a Client invests in repos, swaps, forwards, futures, options and other "synthetic" or derivative instruments, counterparty exposures can develop and the Fund takes the risk of nonperformance by the other party on the contract. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, 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. In the international securities markets, the existence of less mature settlement structures and systems can result in settlement default and exposure to counterparty credits.

Options. The Adviser may cause a Client to invest in options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted. Unlike

exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size and strike price, the terms of over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows the Adviser greater flexibility to tailor an option to a Client's needs, over-the-counter options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

Futures and Related Options. The Adviser has the ability, to the extent permitted by applicable law and any relevant investment restrictions, to buy and sell futures contracts and related options on behalf of a Client at any time. A futures contract is an agreement between two parties to buy and sell a specific quantity of a commodity (including a securities index or an interest-bearing security) for a set price at a future date. A Client may also buy and sell call and put options on futures or on securities indexes in addition to or as an alternative to purchasing or selling futures contracts, or, to the extent permitted by applicable law, to earn additional income. The use of futures and options involves certain special risks. Futures and options transactions involve costs and may result in losses. Certain risks arise because of the possibility of imperfect correlations between movements in the prices of futures and options and movements in the prices of the underlying securities, securities index, currencies or other commodities or of the securities or currencies in a Client's portfolio that are the subject of the hedge (to the extent a Client uses futures and options for hedging purposes). The successful use of futures and options further depends on a Client's ability to forecast market or interest rate movements correctly. Other risks arise from a Client's potential inability to close out its futures or options positions, and there can be no assurance that a liquid secondary market will exist for any futures contract or option at a particular time. The use of futures and options for purposes other than hedging is regarded as speculative. Certain regulatory requirements may also limit a Client's ability to engage in futures and options transactions.

Cash and Other Investments. The Adviser may cause the Client to invest all or a portion of its assets in cash or cash items, in whole or in part, for investment purposes, pending other investments or as provision of margin for futures or forward contracts. These cash items are generally of high quality at the time of investment and may include a number of money market instruments such as negotiable or non-negotiable securities issued by or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit and short-term debt securities of U.S. or non-U.S. issuers deemed to be creditworthy by the Adviser. While these investments generally involve relatively low risk levels, they may produce lower than expected returns and could result in losses.

Valuations; Use of Estimates. Certain securities in which a Client invests may not have a readily ascertainable market price. Such securities will nevertheless generally be valued by the Adviser, which valuation will be conclusive with respect to the Client, even though the Adviser may face a conflict of interest in valuing such securities because the value thereof will affect their compensation. The Adviser may also have no ability to assess the accuracy of valuations received from an underlying private investment fund in which it invests. Valuation information received from the investment advisor of a private investment fund typically will be estimates only, subject to revision of its annual audit. In addition, the Adviser will have the ability to adjust estimated values provided to it by underlying investment advisers subject to the valuation guidelines set forth in the Client's investment management agreement and/or offering documents, as applicable.

Changes in Allocations. The Adviser will, from time to time, change the percentage of assets allocated to a specific position(s), an investment strategy (if a multi-strategy portfolio) and/or an underlying private investment fund (if a fund-of-funds). These changes will be made in the Adviser's discretion. A Client's success will depend on the ability of the Adviser to allocate the Clients assets among new and existing



investments. Asset allocation does not assure profit or diversification and does not protect against loss.

Multiple Portfolio Managers. Certain Clients may employ multiple underlying investment advisers, each of which trades independently of the others. There can be no assurance that the use of multiple investment advisers will not effectively result in losses by certain investment advisors offsetting any profits achieved by others. Such offsetting could result in significant reduction in the Client's assets, as incentive fees may be allocable to the investment advisor that recognized profits irrespective of the offsetting losses.

Financial Market Fluctuations. General fluctuations in the market prices of securities may affect the value of the investments held by a Client. Instability in the securities markets will also likely increase the risks inherent in a Client's investments. There is no guarantee that ordinary and prudent precautions for natural and other disasters will provide an effective connection between the Adviser and markets in the event of large-scale disruptions in the United States or, alternatively, in the countries where the Adviser executes trades.

Lack of Liquidity in Markets. The markets for some securities may be thinly traded from time to time. This lack of liquidity and market depth could disadvantage a Client, both in the realization of the quoted prices and in the execution of orders at desired prices or in desired quantities. Also, securities exchanges and the SEC have authority to suspend trading in a particular security without notice.

Currency Exchange Risk. Non-U.S. investments may be denominated in, or linked to, currencies other than the U.S. dollar. Currency exchange rates can be volatile and affected by, among other factors, the general economics of a country, the actions of governments or central banks and the imposition of currency controls and speculation. A Client may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. dollar. A change in the value of a non- U.S. currency relative to the U.S. dollar will result in a corresponding change in the U.S. dollar value of the Client's assets denominated in that non-U.S. currency. The Adviser may enter into transactions (including currency swaps, forward currency exchange contracts, currency futures, and options on currencies and futures) to hedge against currency exchange risk, but the Adviser is not obligated to do so. Additionally, suitable hedging transactions may not be available in all circumstances, or such transactions may not be successful and may eliminate any chance for a Client to benefit from favorable fluctuations in relevant currencies.

Market Disruption and Geopolitical Risk. A Client is subject to the risk that war, terrorism, and related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on the U.S. and world economies and markets generally, as well as adverse effects on issuers of securities and the value of a Client's investments. Those events, as well as other changes in U.S. and non-U.S. economic and political conditions, also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of a Client's investments. At such times, a Client's exposure to a number of other risks described elsewhere in this section can increase.

Coronavirus Outbreak Risks. The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect Clients' investments and the industries in which they operate. Furthermore, the Adviser's ability to operate effectively, including the ability of its personnel or its service providers and other contractors to

function, communicate and travel to the extent necessary to carry out the Client's investment strategies and objectives and the Adviser's business and to satisfy its obligations to the funds, their investors, and pursuant to applicable law, has been, and will continue to be, impaired. The spread of COVID-19 among the Adviser's personnel and its service providers would also significantly affect the Adviser's ability to properly oversee the affairs of the Clients (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of a Client's investment activities or operations.

Counterparty Risk. A Client is exposed to counterparty risk to the extent it uses "over-the-counter" derivatives, enters into repurchase agreements, lends its portfolio securities or allows a prime broker, if any, or an over-the-counter derivative counterparty to retain possession of collateral. If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, a Client could miss investment opportunities or otherwise hold investments it would prefer to sell, resulting in losses for a Client. Certain markets in which a Client may effect transactions are "over-the-counter" or "interdealer" markets, and may also include unregulated private markets. The lack of a common clearing facility creates counterparty risk. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the investor 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 a Client to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Client has concentrated its transactions with a single or small group of counterparties. A Client may also be exposed to similar risks with respect to non-U.S. brokers in jurisdictions where there are delayed settlement periods.

There can be no assurance that a counterparty will be able or willing to make timely settlement payments or otherwise meet its obligations, especially during unusually adverse market conditions. A Client typically may only close out over-the-counter transactions with the relevant counterparty, and may only transfer a position with the consent of the particular counterparty. When a counterparty's obligations are not fully secured by collateral, then a Client is essentially an unsecured creditor of the counterparty. If the counterparty defaults, a Client will have contractual remedies, but there is no assurance that a counterparty will be able to meet its obligations pursuant to such contracts or that, in the event of default, a Client will succeed in enforcing contractual remedies. Counterparty risk is still present even if a counterparty's obligations are secured by collateral because a Client's interest in collateral may not be perfected or additional collateral may not be promptly posted as required. To the extent a Client allows a prime broker, if any, or any over-the-counter derivative counterparty to retain possession of any collateral, a Client may be treated as an unsecured creditor of such counterparty in the event of the counterparty's insolvency. Counterparty risk also may be more pronounced if a counterparty's obligations exceed the amount of collateral held by a Client (if any), a Client is unable to exercise its interest in collateral upon default by the counterparty, or the termination value of the instrument varies significantly from marked-to-market value of the instrument.

A Client will be exposed to the credit risk of its counterparties and may also bear the risk of settlement default. For example, although the seller under a repurchase agreement will be required to maintain the value of the securities subject to the agreement in an amount exceeding the repurchase price, default by the seller would expose a Client, as buyer, to possible loss due to adverse market action or delay in connection with the disposal of the underlying obligations. Conversely, where a Client acts as seller under a repurchase agreement it is exposed to the risk of the buyer defaulting in its obligation to return the securities when it is required to do so, and a Client could realize a loss on the purchase of the underlying security to the extent that the purchase price of the underlying security is greater than the cash collateral posted by the buyer. In addition, if the seller becomes involved in bankruptcy or litigation proceedings, a

Client may incur delay and costs in selling the underlying security or may suffer a loss of principal and interest if a Client is treated as an unsecured creditor and is required to return the underlying collateral to the seller's estate.

Securities purchased or sold on a "when-issued" or "delayed delivery" basis involve a risk of loss if the value of the securities to be purchased declines prior to the settlement date or if the value of the securities to be sold increases prior to a settlement date. Loans of securities also involve risks of delay in receiving additional collateral or in recovering the securities loaned, or possibly loss of rights in the collateral, should the borrower of the securities become insolvent.

Additionally, a Client may be exposed to documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract (*e.g.*, the definition of default). If a dispute occurs, the cost and unpredictability of the legal proceedings required for a Client to enforce its contractual rights may lead a Client to decide not to pursue its claims against the counterparty. A Client, therefore, may be unable to obtain payments the Adviser believes are owed to it under over-the-counter derivatives contracts or those payments may be delayed or made only after a Client has incurred the costs of litigation.

Due to the nature of a Client's investments, a Client may invest in derivatives and/or execute a significant portion of its securities transactions through a limited number of counterparties and events that affect the creditworthiness of any of those counterparties may have a pronounced effect on a Client. In addition, the creditworthiness of a counterparty may be adversely affected by larger than average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital. The Adviser evaluates the creditworthiness of the counterparties to a Client's transactions or their guarantors at the time a Client enters into a transaction. A Client is not restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability of a Client to transact business with any one of a number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by a Client.

Counterparty risk may be further complicated by recently enacted U.S. financial reform legislation which includes provisions for new clearing, margin and reporting requirements for derivatives transactions and new restrictions on the types of derivatives transactions that can be entered into by certain financial companies. The ultimate impact of these regulatory changes remains unclear because much is left to rule making by the CFTC and the SEC, however, these new requirements could mean that a Client will face less creditworthy counterparties on certain derivatives transactions. Also, the new legislation may limit the flexibility of a Client to protect its interests in the event of an insolvency of a derivatives counterparty because of powers granted to clearinghouses and to the Federal Deposit Insurance Corporation to limit or delay close-out of derivatives positions of insolvent clearing members or financial companies and to transfer such positions to other entities.

Custodial Risk. A Client's prime brokers will have custody of such Client's securities, cash, distributions and rights accruing to the Client's securities accounts. SEC rules require prime brokers to maintain physical possession and control of fully paid securities held in a Client's account and to establish certain reserves for the benefit of customers. However, subject to these limitations, the prime brokers generally have the ability to loan, pledge, and rehypothecate the securities in a Client's account, as is typical market practice, and may have insufficient assets to meet all of its obligations to customers in the event of an insolvency of the prime brokers. In such an event, a Client would typically not have a right to recover its securities held by the prime brokers, but would rather have only an unsecured claim against the prime brokers and participate *pro rata* with other customers of the prime brokers in the proceeds of the sale of customer securities. Also, even if the prime brokers do have sufficient assets to meet all customer claims,

there could be a delay before a Client receives assets to satisfy its claims. In order to manage the risks associated with prime broker insolvency, a Client may establish relationships with multiple prime brokers. However, there can be no assurance that a Client will be able to establish or maintain such relationships. In addition, a Client may not be able to identify potential solvency concerns with respect to a Client's prime brokers or to transfer assets from one prime broker to another prime broker in a timely manner.

The prime brokers may hold a Client's securities through third parties such as clearing corporations, other brokers or banks. In addition, a Client may hold securities, cash and other assets directly with banks or other third parties not associated with the prime brokers. As a result, a Client may be subject to credit risk with respect to such third parties, as well as with respect to the prime brokers. In addition, certain of a Client's assets may be held by non-U.S. affiliates of a Client's prime brokers and entities other than the prime brokers. Assets held by such non-U.S. affiliates may be subject to legal regimes that provide fewer or different investment protections than the U.S. If a Client has over-collateralized derivative contracts, it is likely to be an unsecured creditor of any such counterparty in the event of its insolvency. Also, even if a Client's prime broker or such other third parties do have sufficient assets to meet all claims, there could be a delay before a Client receives assets to satisfy its claims. A Client may change the brokerage arrangements at any time without notice to the investors. There are likely to be operational and other delays associated with changes in prime brokerage arrangements.

Significant Positions in Securities; Regulatory Requirements. In the event a Client acquires a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, the Client may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on the Client and the Adviser. Any such requirements may impose additional costs on the Client and may delay the acquisition or disposition of the securities or the Client's ability to respond in a timely manner to changes in the markets with respect to such securities. In addition, "position limits" may be imposed by various regulators that may limit a Client's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that a Client's position limits were aggregated with an affiliate's position limits, the effect the Client and resulting restriction on its investment activities may be significant. If at any time positions managed by the Adviser were to exceed applicable position limits, the Adviser would be required to liquidate positions, which might include positions of a Client, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, a Client might have to forego or modify certain of its contemplated trades. In addition, if a Client, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the Exchange Act, the Client may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances the Client will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions

Regulatory Risk. There can be no assurance that the Adviser, its Clients or any of their respective affiliates will avoid regulatory examination or enforcement actions. Even if an investigation or proceeding does not result in a sanction being imposed against the Adviser or any of its affiliates, or such sanction is small in monetary amount, the Adviser, its Clients and/or their respective affiliates may be subject to adverse publicity relating to the investigation, proceeding or imposition of such sanctions. There is also a risk that regulatory agencies in the United States and abroad will continue to adopt, change or enhance new or existing laws or regulations, which may result in additional regulatory scrutiny.

Cybersecurity Risk. Cybersecurity risks have increased significantly in recent years because of, among other things: the proliferation of Internet and telecommunications technologies to conduct financial transactions; the ability and degree to which investment managers collect and maintain proprietary and other nonpublic data, as well as publicly available data that may be organized in a manner that is not publicly available; and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state actors. The Adviser, its Clients' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a Client and its investors, despite the efforts of the Adviser and a Client's service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Client and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, a Client's service providers, counterparties or data within these systems. Third-parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of its Clients' investors. A successful penetration or circumvention of the security of the Adviser's systems could result in the loss or theft of Client investor data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause a Client, the Adviser or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Similar types of operational and technology risks are also present for the companies in which Clients invest, which could have material adverse consequences for such companies, and may cause a Client's investments to lose value. Data protection and regulations related to privacy, data protection and information security could increase costs, and a failure to comply could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of a company beneficially owned by a Client.

Legal and Regulatory Changes. Legal, tax and regulatory changes could occur that may adversely affect a Client. New (or revised) laws or regulations or interpretations of existing laws may be issued by the IRS, the CFTC, the SEC, the Federal Reserve or other banking regulators, or other governmental regulatory authorities or self-regulatory organizations that supervise the financial markets that could adversely affect a Client. A Client also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations. For example, there has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry. It is impossible to predict what, if any, changes in regulations may occur, but any regulation that restricts the ability of a Client to trade in securities could have a material adverse impact on a Client's performance.

In addition, the securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. The CFTC, the SEC, the Federal Deposit Insurance Corporation, other regulators, and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of securitization and derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action.

In addition, the U.S. government has enacted legislation that provides for new regulation of the derivatives market, including clearing, margin, reporting, and registration requirements. The CFTC, SEC

and other federal regulators have been tasked with developing the rules and regulations enacting the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The European Union (and some other countries) are implementing similar requirements that will affect a Client when it enters into derivatives transactions with a counterparty organized in that country or otherwise subject to that country's derivatives regulation. The U.S. government and the European Union have adopted mandatory minimum margin requirements for bilateral derivatives. Such requirements could increase the amount of margin required to be provided by a Client in connection with its derivatives transactions and, therefore, make derivatives transactions more expensive. While certain of the rules are effective, other rules are not yet final and/or effective, so their ultimate impact remains unclear.

The CFTC and certain futures exchanges have established limits, referred to as "position limits," on the maximum net long or net short positions which any person or entity may hold or control in particular options and futures contracts. The CFTC has proposed position limits for certain swaps. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if a Client does not intend to exceed applicable position limits, it is possible that different clients managed by the Adviser and its affiliates may be aggregated for this purpose. Although it is possible that the trading decisions of the Adviser may have to be modified and that positions held by a Client may have to be liquidated in order to avoid exceeding such limits, the Adviser believes that this is unlikely. The modification of investment decisions or the elimination of open positions, if it occurs, may adversely affect the profitability of a Client.

The SEC has in the past adopted interim rules requiring reporting of all short positions above a certain de minimis threshold and may adopt rules requiring monthly public disclosure in the future. In addition, other non-U.S. jurisdictions where a Client may trade have adopted reporting requirements. If a Client's short positions or its strategy become generally known, it could have a significant effect on the Adviser's ability to implement its investment strategy. In particular, it would make it more likely that other investors could cause a "short squeeze" in the securities held short by a Client forcing a Client to cover its positions at a loss. Such reporting requirements may limit the Adviser's ability to access management and other personnel at certain companies where the Adviser seeks to take a short position. In addition, if other investors engage in copycat behavior by taking positions in the same issuers as a Client, the cost of borrowing securities to sell short could increase drastically and the availability of such securities to a Client could decrease drastically. Such events could make a Client unable to execute its investment strategy. Short sales are also subject to certain SEC regulations. If the SEC were to adopt additional restrictions regarding short sales, they could restrict a Client's ability to engage in short sales in certain circumstances, and a Client may be unable to execute its investment strategy as a result.

The SEC and regulatory authorities in other jurisdictions may adopt (and in certain cases, have adopted) bans on short sales of certain securities in response to market events. Bans on short selling may make it impossible for a Client to execute certain investment strategies and may have a material adverse effect on a Client's ability to generate returns.

Political Uncertainty and Rise of Populist Political Parties. The rise of populist political parties and economic nationalism has led to increasing political uncertainty and unpredictability throughout the world. Among the attendant risks are greater regulatory uncertainty, for example, regarding the posture of governments with respect to taxation, international trade and law enforcement. Negative regulatory developments could have a material adverse effect on Clients and their respective investments.

United Kingdom Exit from the European Union. On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the European Union ("Brexit"). Under the process for leaving the European Union contemplated in Article 50 of the Treaty on the Functioning of the

European Union, the United Kingdom left the European Union on January 31, 2020 and entered an 11-month transitional period. During the transitional period, the United Kingdom and the European Union will negotiate the terms of their future relationship and during this period most European Union laws will continue to apply to the United Kingdom. There is no guarantee that an agreement between the United Kingdom and the European Union will be reached at the end of the transitional period.

Although one cannot predict the full effect of Brexit, it could have a significant adverse impact on United Kingdom, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including companies or assets held or considered for prospective investment by a Client.

The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates its relationship with the European Union. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on a Client and its investments, including the ability of a Client to achieve its investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of the Adviser to manage, operate and invest a Client and increased legal, regulatory or compliance burden for the Clients, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Clients.

Political parties in several other member states of the European Union indicated at the time of the United Kingdom's referendum to leave the European Union that a similar referendum be held on their country's membership in the European Union. It is unclear whether any other member states of the European Union will hold such referendums, but if they do, further disruption can be expected.

Brexit may also have an adverse effect on the tax treatment of a Client and its investments. In particular, the EU Directives preventing withholding taxes being imposed on intra-group dividends, interest and royalties may no longer apply to payments made into and out of the UK, meaning that instead the UK's double tax treaty network would need to be relied upon. Further, there may be changes to the operation of value added tax.

The EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories. The EU Regulation on OTC derivatives, central counterparties and trade repositories ("EMIR") introduced requirements in respect of central clearing of certain classes of OTC derivative contracts through a duly authorized or recognized central counterparty, reporting the details of all derivative contracts to a trade repository and certain risk mitigation techniques for non-centrally cleared OTC derivative contracts, including collateral exchange requirements. Regulatory changes arising from EMIR may increase the cost of entering into derivative transactions and adversely affect a Client's ability to adhere to its investment approach and achieve its investment objective.

The EU Directive on Markets in Financial Instruments. The recast EU Directive on Markets in Financial Instruments and the related EU Markets in Financial Instruments Regulation (together "MiFID II") came into effect in January 2018. MiFID II applies to investment firms, market operators and data reporting service providers in the EU. MiFID II introduces a new type of trading venue, the organized trading facility ("OTF"), and requires that certain of the classes of OTC derivative contracts that must be centrally cleared under EMIR be traded on regulated markets ("RMs"), multilateral trading facilities ("MTFs"),

OTFs or an “equivalent” non-EU trading venue. All trading by investment firms in shares admitted to trading or traded on an EU trading venue will now have to be conducted on RMs, MTFs or proprietary trader investment firms known as “systematic internalisers,” or on a non-EU trading venue assessed as equivalent for these purposes. EU regulators are now empowered to limit the size of a net position which a person may hold in commodity derivatives traded on EU trading venues, given their potential impact on food and energy prices. Under the new rules, positions in such commodity derivatives and economically equivalent OTC contracts are limited, to support orderly pricing and prevent market distorting positions and market abuse. MiFID II contains more prescriptive rules applicable to best execution in a wide range of instruments and mandates new transparency associated with the best execution obligation. MiFID II also extends the transaction reporting requirement to a broader range of financial instruments and introduces new details which must be reported to EU regulators. Finally, MiFID II imposes new rules regarding the receipt of research and other non-monetary benefits. It is difficult to predict the precise impact of MiFID II on Clients. Regulatory changes arising from MiFID II may adversely affect a Client’s ability to adhere to its investment approach and achieve its investment objective.

Privacy and Data Protection. A Client’s investments are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. The General Data Protection Regulation (EU 2016/679) (the “GDPR”) came into effect on May 25, 2018, replacing the Data Protection Directive (Directive 95/46/EC). The GDPR seeks to harmonize national data protection laws across the EU, while at the same time, modernizing the law to address new technological developments. As a regulation, the GDPR is binding on data controllers and data processors in all EU member states, without the need for implementation in each member state. The GDPR notably has a greater extra-territorial reach than Directive 95/46/EC and has a significant impact on data controllers and data processors either with an establishment in the EU, or which offer goods or services to EU data subjects or monitor EU data subjects’ behavior within the EU. The regime imposes stringent operational requirements on both data controllers and data processors, and has introduced significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover of the undertaking or €20 million (whichever is higher), depending on the type and severity of the breach.

The current ePrivacy Directive (Directive 2002/58/EC), will also be repealed by the EU Commission’s Regulation on Privacy and Electronic Communications (the “ePrivacy Regulation”) which aims to reinforce trust and security in the digital single market by updating the legal framework on ePrivacy. The ePrivacy Regulation is in the process of being finalized and is expected to come into force in 2019.

Compliance with current and future privacy, data protection and information security laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of the Adviser’s current and planned business activities. A failure to comply with such laws could result in fines, sanctions or other penalties, which could materially and adversely affect results of operations and overall business, as well as have an impact on reputation.

General Data Protection Regulation - Fair Processing Information. Prospective investors should be aware that, in considering and/or making an investment in a Client, and interacting with a Client, its affiliates, agents, advisers and/or delegates by: (i) submitting the Subscription Agreement, (ii) communicating through telephone calls, written correspondence and emails (all of which may be recorded); or (iii) providing personal data concerning individuals connected with the investor (such as directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners, advisers and/or agents),



they will be providing the Client and the Adviser, its affiliates, agents and/or delegates with personal data (as such term is defined in applicable EU data protection legislation). The Adviser has prepared a privacy notice, which provides further information regarding the personal data collected and used by it including in relation to a Client, and the purposes for which such personal data is processed. The privacy notice is appended to Client Offering Documents. Prospective investors should read the privacy notice carefully before sharing any personal data in accordance with the steps described above. If you have any questions or concerns regarding the processing of personal data by the Adviser or a Client, please contact Cowen Investor Relations at [investor.relations@cowen.com](mailto:investor.relations@cowen.com).

U.S. Data Privacy and Security Laws. The U.S. is in a period of active consideration of additional data privacy and cybersecurity laws. These include the California Consumer Privacy Act (“CCPA”), effective since January 1, 2020; the New York SHIELD Act, aspects of which took effect on October 23, 2019 and other aspects of which took effect on March 21, 2020; a range of proposed additional laws in California, New York, Texas, Utah, Washington and other states; and a range of proposed additional laws at the federal level. The cumulative effects of CCPA and other recently adopted laws include an increased ability of individuals, relative to companies, to control the use of their personal data; increased obligations of companies to maintain the security of data; and increased exposure to fines or damages for companies that do not accord individuals their specified privacy rights, that experience data breaches or that do not maintain cybersecurity at certain levels of quality. On behalf of its Clients, the Adviser will endeavor to maintain systems that promote compliance with CCPA and these other laws, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals’ increased privacy rights or in ensuring compliance with the CCPA and such other laws. In the event of fines or damages due to noncompliance with such data privacy and cybersecurity laws, there may be a business impact on the Adviser and its Clients.

Possibility of Fraud and Other Misconduct of Employees and Service Providers. Misconduct by employees of the Adviser, service providers to the Adviser or the Clients and/or their respective affiliates could cause significant losses to such Clients. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Clients, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Clients and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Clients. The Adviser has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Adviser will be able to identify or prevent such misconduct.

## **Conflicts of Interest**

Various actual and potential conflicts of interest may arise from the overall investment and other business activities of the Adviser and its affiliates, in each case, for their own account and for the account of others. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Adviser and its affiliates advise multiple Clients whose accounts may purchase or sell the same securities. The Adviser and its affiliates are not under any obligation to share any investment opportunity, idea or strategy with any particular Client. As a result, Clients of the Adviser or its affiliates may compete with one another for investment opportunities. The Adviser may make recommendations to and take actions on behalf of certain Clients, which may be the same as or different from those made or taken on

behalf of another Client. The Adviser may from time to time acquire positions in or transact in securities and other investments on behalf of a Client which may differ from or be inconsistent with the advice given, or the timing or nature of the Adviser's action or actions with respect to another Client. There is no assurance that Clients with similar strategies or investment objectives will hold the same investments or perform in a similar manner. This and other future activities of the Adviser and its affiliates may give rise to additional conflicts of interest.

The Adviser's investment allocations are designed to provide a fair allocation of purchases and sales of securities among the various Clients managed by the Adviser, while preserving incentives for the Adviser to find new investment opportunities, and to ensure compliance with appropriate regulatory requirements. The Adviser will generally seek to allocate investment opportunities on a fair and equitable basis, taking into account multiple factors, including but not limited to, the investment objectives and limitations, the availability of leverage, the relative amounts of capital available for new investments, relative exposure to market trends, transaction costs, existing positions, appropriateness of volatility, eligibility under applicable law to make the investment in question and the manner in which the investment is likely to affect the amount of available capital after the investment is made. In the event an investment opportunity has limited capacity for investment, the opportunity will be allocated first to Clients, then to proprietary securities portfolios beneficially owned by the Adviser or an affiliate of the Adviser and if any capacity remains, an allocation can be given to the personal securities accounts of eligible employees.

The Adviser and its affiliates have the ability to trade in financial instruments for their own accounts. Currently, the Adviser manages a proprietary securities portfolio beneficially owned by its parent company, Cowen Inc. This may on occasion create conflicts of interest with regard to such matters as allocation of opportunities to participate in particular investments or to dispose of certain investments. In addition, if as a result of the aggregation requirements set forth under the law, applicable position limits were exceeded, the Adviser, or its respective affiliates could have a conflict of interest in determining which positions to liquidate.

By reason of the investment advisory and other activities of its affiliates, the Adviser may acquire confidential information or otherwise be restricted from initiating transactions in certain securities. It is acknowledged and agreed that, except as required by the applicable law, the Adviser may not be free to divulge, or to act upon, any such confidential information and that, due to such a restriction, the Adviser may not initiate certain transactions the Adviser otherwise might have initiated. It is further acknowledged and agreed that the Adviser shall, for itself and on behalf of its Clients, disclose such information to governmental and regulatory authorities as may be required by law.

From time to time, the Adviser may permit certain Client investors to acquire interests on different terms than other investors (including, without limitation, with respect to minimum investment amounts, fees, expanded reporting and withdrawal terms). The Adviser is not required to notify any or all of the other investors of any such terms, nor is the Client or the Adviser required to offer such additional and/or different rights and/or terms to any or all of the other investors.

***A more detailed discussion of risk factors and conflicts of interest can be found in a Client's Offering Materials.***

**Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

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

The Adviser is affiliated with the following four (4) U.S. registered broker-dealers: Cowen and Company, LLC (CRD # 7616), Cowen Execution Services LLC (CRD # 35693); ATM Execution LLC (CRD # 122529); and Westminster Research Associates LLC (CRD # 14508). The Adviser is also affiliated with one (1) dual-registered U.S. broker-dealer and investment adviser, Cowen Prime Services LLC (CRD # 153397). The Adviser is also affiliated with two (2) UK FCA registered broker-dealers: Cowen International Limited and Cowen Execution Services Limited and one (1) Hong Kong SFC registered broker-dealer: Cowen and Company (Asia) Limited. All of the above referenced affiliates are wholly owned subsidiaries (directly or indirectly) of Cowen.

The Adviser generally operates separately from its broker-dealer affiliates and does not direct any Client business to its broker-dealer affiliates (however, the Adviser is permitted to direct business to its affiliated broker-dealers for any affiliate-owned accounts it advises). To the extent that any conflict may arise with respect to its affiliated broker-dealers, the potential conflict is addressed by Cowen's Conflicts Committee which is headed by Cowen's General Counsel. At this time, the Adviser does not believe there is any material conflict related to this relationship.

The Adviser is affiliated with the following investment advisors registered with the U.S. Securities and Exchange Commission (or rely upon the registration of an affiliated investment advisor): Cowen Investment Management LLC; Cowen Trading Strategies LLC; Cowen Sustainable Advisors LLC; TriArtisan Capital Advisors LLC; CHI Advisors LLC, Healthcare Royalty Management, LLC and HCR Collateral Management, LLC.<sup>3</sup> The Adviser also serves as the investment adviser to a UCITS Fund sponsored by CM Investment Solutions LLC and as a sub-advisor to a RIC managed by SEI Investments Management Corporation. For a complete description of these advisors and the clients they advise and manage, please refer to their Form ADV Parts 1 and 2 which can be obtained on this SEC website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The Adviser has no financial planner relationships. At this time, the Adviser does not believe there are any material conflicts related to the financial industry affiliations described above.

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

The Adviser has adopted a Code of Ethics that is applicable to all of its access persons, supervised persons and virtually all of its employees (for purposes of this section of the brochure, references to "employees" include access persons and supervised persons). The Code of Ethics reflects the Adviser's belief in the absolute necessity to conduct all business, make all decisions and carry on all personal activities at the highest ethical and professional levels.

All persons that are covered by the Code of Ethics must avoid activities, interests and relationships that may interfere or appear to interfere with making decisions in the best interests of Clients. More specifically, the Code of Ethics seeks to place the interests of Clients over the interests of the Adviser and/or its employees; imposes standards of business conduct for all of the Adviser's employees; requires employees to comply with the federal securities laws; regulates employee personal securities transactions, including requiring all covered persons to pre-clear investments in publicly traded securities, private companies and private fund investments; and requires reporting of personal securities transactions. The Adviser will provide a copy of the Code of Ethics to any Client or prospective Client (including Private Fund investors) upon request.

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<sup>3</sup> Although under common control with RCG Longview Equity Management LLC and RCG Longview Partners II, LLC, the Adviser's managing member, Cowen Investment Management LLC, is not involved in the day to day activities of either RCG Longview advisory affiliate (although Cowen Investment Management LLC's equity ownership interest entitles it to a share of their net revenue).

While employees of the Adviser are generally permitted to invest in securities for their own personal accounts and may invest in securities that are also held by Clients of the Adviser, they are subject to the Adviser's reimbursement policy in the event their personal trading activity competes with Client trades. In the event an employee trades a security on the same day and in the same direction as a Client account and the average price paid or received by the employee for the relevant security was better than the average price paid or received by a Client for the same security, then the Adviser may require the employee to reimburse the impacted Client for the difference between the average price paid by the employee and the average price paid or received by the relevant Client.

The Adviser has and may continue to purchase securities and other instruments for its own account (or the account of an affiliate) that are also being purchased by the Adviser on behalf of a Client and has and may continue to also purchase securities and other instruments that are not appropriate for Client investment (pursuant to its investment guidelines and procedures). In the event the Adviser does purchase securities and other instruments for its own account (or the account of an affiliate) that are also being purchased by the Adviser on behalf of a Client, the Adviser will endeavor to purchase those securities and other instruments for its Clients on terms at least as favorable as the terms on which the same securities or instruments are purchased for the accounts of the Adviser and/or its affiliates. Notwithstanding the foregoing, the Adviser is not obligated to allocate all potential transactions to a Client for which it might be eligible pursuant to its investment guidelines and procedures. Depending on the circumstances, the Adviser may allocate certain transactions on a disproportionate basis among its other Clients and/or may allocate all of a transaction to another Client, including Clients in which one or more of the principals or employees of the Adviser or its affiliates may have an interest. In addition, varying compensation arrangements among Clients could incentivize the Adviser to allocate investment opportunities to certain Clients over others, or to otherwise manage Clients differently.

When it is determined that it would be appropriate for one or more Clients to participate in an investment opportunity, the Adviser will seek to execute orders for all of the participating investment accounts on an equitable basis, taking into account such factors as the investment objectives of the participating investment accounts, the availability of leverage, the relative amounts of capital available for new investments, relative exposure to market trends, transaction costs, the portfolio positions of the participating investment accounts, the eligibility of a Client, respectively, and the other investment accounts under applicable law to make the investment in question and the manner in which the investment is likely to affect the amount of available capital after the investment is made.

## **Item 12. Brokerage Practices**

The Adviser is responsible for, among other things, the placement of any securities transactions entered into on behalf of a Client, and for the negotiation of any commissions paid on such transactions. Such securities may be purchased over the counter, through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of securities through brokers involve a commission to the broker, and purchases from dealers serving as market makers include the spread between the bid and the ask price. The Adviser seeks to obtain the best execution for the Client, taking into account such factors as price (including the applicable dealer spread or commission, if any), size of order, difficulty of execution, operational facilities of the firm involved and the firm's risk in positioning a block of securities. While under no obligation to do so, the Adviser may aggregate or "block" purchase and sale orders of securities to seek the efficiencies that may be available in larger transactions when it determines that aggregation is consistent with its duty to seek best execution for its Clients.

The Adviser may execute a portion of the securities trades entered into by a Client through one or more customer brokerage accounts maintained by the Client with certain clearing brokers (the “**Clearing Brokers**”) pursuant to the terms of one or more clearing agreements with the Adviser under which the Adviser allocates to the Clearing Brokers a portion of the brokerage commissions it charges the Client. Floor brokers selected by the Adviser that execute transactions in listed securities receive a portion of the brokerage commissions that the floor brokers charge the Client at rates negotiated by the Adviser and each floor broker.

The Adviser generally does not enter into directed brokerage arrangements but may do so for certain Managed Account clients for which it is not deemed to have custody with respect to its advisory activities. Any directed brokerage arrangements must be approved by the Adviser.

Brokers and dealers are selected by the Adviser on the basis of a variety of factors, including, without limitation, some or all of the following: net price; settlement capabilities and error resolution; electronic reconciliation capability; special execution capabilities; ability to execute large orders, to commit capital, and to minimize trading costs associated with implementing investment decisions; commission rates; reputation, including regulatory issues; financial strength and stability; efficiency of execution of small lots; offering on-line access to computerized data regarding open orders; the ability or inability of electronic trading networks to handle trades instead of other broker-dealers; value of research; and other matters involved in the receipt of brokerage services generally.

Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services, as well as discussion with research personnel. The Adviser may, in the future, pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with such investment and research information or to pay higher commissions to such firms if the Adviser determines such prices or commissions are reasonable in relation to the overall services provided. Any research services provided by broker-dealers used by the Client may be utilized by the Adviser or its affiliates in connection with their respective investment services for other accounts and, likewise, any research services provided by broker-dealers used for transactions of other accounts may be utilized by the Adviser in performing its services for the Client.

Commissions charged by certain broker-dealers utilized by the Adviser may include additional products and services, such as research. The Adviser only uses additional products and services provided by broker-dealers (included in its commission rate) that meet the eligibility criteria of the safe harbor created by Section 28(e) of the Exchange Act. The Adviser does not currently have any “soft dollar” accounts with any of its brokerage relationships; however, in the event an account was opened, any use of “soft dollars” would fall within the Section 28(e) safe harbor. Under Section 28(e), research obtained with soft dollars generated by the Client may be used by the Adviser to service accounts other than the Client.

The Client’s securities transactions may generate a substantial amount of brokerage commissions and other compensation, all of which the Client, not the Adviser, will be obligated to pay. The Adviser has complete discretion in deciding what brokers and dealers the Client will use and in negotiating the rates of compensation the Client will pay. In addition to using brokers as “agents” and paying commissions, the Adviser, on behalf of a Client, may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the

basis of all of the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research services. The investment information received from the Client's brokers may be used by the Adviser in servicing all of its accounts, and not all such information need be used by the Adviser in connection with the Client. Nonetheless, the Adviser believes that such investment information provides the Client with benefits by supplementing the research otherwise available to the Client.

From time to time the Adviser may be introduced to prospective Client investors through "capital introduction" events, some of which may be sponsored by a Client's prime brokers. The Adviser may take into account "capital introduction" events provided by a prime broker when selecting prime brokers and determining the extent to which a prime broker will be used.

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

The Adviser performs various daily, weekly, monthly, quarterly and/or periodic reviews of each Client portfolio (as needed). Such reviews are conducted by the Adviser's portfolio managers and research associates. Each Client portfolio is reviewed to ensure: (1) suitable investments are maintained in each Client portfolio; (2) securities are within appropriate risk levels for the Client; (3) an appropriate asset allocation is maintained; and (4) any additional requirements, limitations, or guidelines are met. A review of a Client portfolio may also be triggered by any unusual activity or special circumstances.

The Adviser anticipates sending Clients a periodic letter documenting the performance of the Client's portfolio. The Adviser may provide certain Client investors with information on a more frequent and detailed basis if agreed to by the Adviser. In addition, when required by law or otherwise agreed to by contract, the Adviser will issue Client audited financial statements within the legally required time period following the end of such Client's fiscal year. The Adviser will also provide its Client's investors tax reports (if applicable); however, no assurances can be made as to when investor tax information will be provided. As a result, Client's investors may be required to obtain extensions of the filing date for their income tax returns at the U.S. federal, state, and local level.

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

The Adviser does not receive economic benefits from non-Clients for providing investment advice and other advisory services. However, the Adviser or its affiliates may enter into placement agreements with certain placement agents ("**Placement Agents**"), pursuant to which the Placement Agents have agreed to introduce potential investors to the Clients. The Placement Agents (which may include affiliates of the Adviser) may receive compensation for such services from the Adviser or its affiliates.

### **Item 15. Custody**

Pursuant to Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the "**Custody Rule**"), the Adviser is generally deemed to have custody of Client funds and securities and is therefore required to maintain the assets of its Clients in separate accounts with a qualified custodian. The Adviser does not have custody over the funds and securities of the RIC or UCITS Fund it advises. Certain Private Funds may invest in private securities and those securities are maintained in book entry form with the relevant portfolio company and meet the requirements of the Custody Rule's qualified custodian exception. Client funds and securities that do not meet the requirements of the qualified custodian exception, including those of Clients for which the Adviser does not have custody, are held at an independent broker-dealer, bank or trust company.

The Adviser's Clients receive account statements on at least a quarterly basis directly from the broker-dealer, bank or other qualified custodians. Client investors (*i.e.*, Private Fund, RIC and UCITS Fund investors) do not typically receive account statements from the qualified custodian(s) as these statements are generally directed to the investment manager or general partner of these Clients. In the event a Client receives account statements directly from the Client's qualified custodian(s) and account statements prepared by the Adviser (or a Client's third-party administrator, if any), the Client is urged to carefully review and compare both statements.

The Adviser has engaged independent public accounting firms registered with and subject to review by the Public Company Accounting Oversight Board (PCAOB) to perform an annual audit of the Private Funds it advises in accordance with U.S. Generally Accepted Account Principles. The audited financial statements are distributed to the Private Fund and its investors within 120 days of their fiscal year end.

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

The Adviser, in its capacity as an investment adviser or sub-adviser, has discretionary trading authority with respect to its Clients. The Adviser's investment decisions and advice with respect to each Client are subject to each Client's investment objectives and guidelines, as set forth in its offering documents and/or investment management agreement (or sub-advisory agreement), as applicable.

The Adviser has entered into an investment management agreement, or similar agreement with each Client it advises, pursuant to which the Adviser (or an affiliate of the Adviser was granted) discretionary trading authority. The Adviser has entered into a sub-advisory agreement with a RIC, pursuant to which the Adviser was granted discretionary trading authority over a segment of the RIC's investment portfolio. Certain Private Funds have entered into sub-advisory agreements with an unaffiliated registered investment advisor; however this sub-advisor does not have discretionary investment authority over the Private Funds it advises and its investment advice is limited to certain assets in the relevant Private Fund portfolio. The Adviser does not currently advise any non-discretionary Clients.

It should be noted that not all Clients that invest in the same investment strategy share substantially similar investment guidelines and/or risk parameters; moreover, the Adviser is not obligated to allocate all potential investment opportunities to a Client for which it might be eligible to invest. Depending on the circumstances, the Adviser may allocate certain transactions on a disproportionate basis among its Clients and/or may allocate all of certain other transactions to other Clients, including Clients in which one or more of the principals or employees of the Adviser or its affiliates may have an interest. In addition, varying compensation arrangements among the Clients could incentivize the Adviser to allocate investment opportunities to certain Clients over others, or to otherwise manage the Clients differently.

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

In compliance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended, the Adviser has adopted proxy voting policies and procedures. All decisions about how to vote a proxy are made in accordance with the Adviser's proxy voting policies and procedures, which are designed to take into account the best interests of the Clients, as determined by the Adviser in its discretion. The Adviser may take into account all relevant factors when making such determination. Clients are generally not permitted to direct voting decisions.

The Adviser has primary responsibility to monitor voting decisions for conflicts of interest, which include the consideration of whether the Adviser or any investment professional or other person recommending how to vote has an interest in the vote that may present a conflict of interest.

This summary of the Adviser's voting policies and procedures is qualified in its entirety by the Adviser's voting policies and procedures. Copies of relevant proxy logs, identifying how proxies were voted in connection with a Client and copies of proxy voting policies are available to any Client or prospective Client upon written request to Cowen Investor Relations at [investor.relations@cowen.com](mailto:investor.relations@cowen.com).

**Item 18. Financial Information**

The Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.