

Item 1 – Cover Page

**Part 2A of Form ADV
Brochure for:**

Ursa Fund Management LLC

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March 28, 2020

This brochure provides information about the qualifications and business practices of Ursa Fund Management LLC. If you have any questions about the contents of this brochure, please contact us at (415) 529-6040. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration of an Investment Adviser does not imply any certain level of skill or training.

Additional information about Ursa Fund Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This brochure was prepared for Ursa Fund Management LLC's annual updating amendment. The only material change since the last brochure, dated May 13, 2019, was to regulatory assets under management in Item 4.

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Item 4 – Advisory Business*Description of the Advisory Firm*

Ursa Fund Management LLC (“Ursa” or “We”) is a Delaware limited liability company formed in February of 2016 primarily for the purpose of sponsoring and managing pooled investment vehicles. Andrew Hahn and Russell Douglas are the founders, principal owners, and managing members of Ursa.

Andrew Hahn. Prior to co-founding Ursa, Mr. Hahn was a member of the U.S. options market-making business at Evolution Capital Management, LLC (“Evolution”), a global hedge fund based in Santa Monica from 2005 to 2011, exclusive of 2008-2009 when Mr. Hahn worked at Synergy Capital Management (“Synergy”), also a U.S. options market-making business. Prior to joining Evolution, Mr. Hahn worked for a statistical arbitrage fund in Southern California, where he back-tested the fund’s Portfolio Manager’s empirically observed patterns. Mr. Hahn holds a B.S. in Pure Mathematics from the University of California, Los Angeles.

Russell Douglas. Prior to co-founding Ursa, Mr. Douglas started at Evolution in 2006, where he worked on the Asia desk for one year before joining the U.S. team. Mr. Douglas holds a B.A. in Business Economics from the University of California, Los Angeles.

The pooled vehicle we sponsored and manage is the Ursa Fund Partners LP (the “Fund”), which was formed in February 2016.

The Fund offers interests (“Interests”) to certain qualified investors, as described in response to Item 7, below; such shareholders and Investors are referred to herein as “Investors.”

Description of Advisory Services

Strategy – We serve as the investment manager to the Fund pursuant to separate investment management agreement between the Fund and Ursa. The Fund’s objective is to generate superior risk-adjusted returns on capital through investments in the corporate action and event-driven space. To achieve this objective, Ursa utilizes proprietary scanning methods of corporate filings together with extensive research and analysis to seek attractive investment opportunities. The Fund generally invests in publicly-traded equity securities and derivatives, but it may also invest in other types of instruments that Ursa considers appropriate and in the Fund’s best interests. The Fund may also employ an “interest rate arbitrage” strategy, whereby it can collect a higher implied interest rate through a combined stock versus options structure than the debt financing rate paid to the clearing firms utilized by the Fund. The interest rate arbitrage strategy can lead to concentrated holdings and significant margin balances at one or more of the Fund’s clearing firms. The Fund is not limited with respect to the types of investment strategies it may employ, the markets or instruments in which it may invest or the percentage of its capital that may be any type or amount of a security. In addition, the Fund may make certain follow-on investments (“Opportunistic Investments”) from time to time, which may also include other instruments and may utilize hedging, leverage or other strategies to achieve the Fund’s investment objective.

Client Tailored Services and Client Imposed Restrictions

We do not tailor portfolio management services to the individual needs of Investors in the Fund.

Assets Under Management

As of December 31, 2019 Ursa had assets under management on a discretionary basis of **\$1,470,005,258**.

Item 5 – Fees and Compensation*Management Fee*

Ursa will not charge the Fund any Management Fee. Rather, the Fund's administrative costs are borne directly by the Fund, as disclosed below.

Incentive Allocation, Generally

At the end of each fiscal year, Ursa Fund Management LLC, General Partner of the Fund, will receive from the Fund, a performance-based allocation (the "Incentive Allocation") equal to 35% of the aggregate net income indirectly allocated to each Investor in the Fund.

An Incentive Allocation is also made as to amounts withdrawn, as of the effective time of the withdrawal by Investors. Incentive Allocations are subject to a "high water mark" provision under which Ursa receives an Incentive Allocation from an Investor only to the extent Net Income allocated to that Investor's Capital Account exceeds any Net Losses previously allocated to it since the last date an Incentive Allocation was assessed (or the original date of contribution if no Incentive Allocation has previously been assessed). An Investor's "high water mark" shall be the maximum of such Investor's ending Capital Account balance as of year-end, after accounting for any of such Investor's Capital Contributions and any withdrawals (the "HWM"). In the event an Investor's ending yearly Capital Account balance is below its HWM, the Incentive Allocation will be reduced to 17.5% of the Net Income allocated for the month to such Investor for such month (the "Reduced Allocation"). References herein to the Incentive Allocation include the Reduced Allocation, unless specified otherwise. The Reduced Allocation shall continue to apply for each month an Investor's Capital Account is below its HWM, as calculated by such Investor's Capital Account balance as of month-end. Upon the first occurrence of an Investor's Capital Account surpassing its HWM (each such occasion, an "HWM Event"), a pro-rated Incentive Allocation will apply with respect to Net Income allocated for the month to such Investor, calculated as follows: (1) an amount equal to 17.5% of the Net Income allocated for the month to such Investor through the HWM; and (2) thereafter, an amount equal to 35% of Net Income allocated for the month to such Investor from the HWM through the end of the month. Provided that the Investor's Capital Account is above its HWM for the following month, the Investor will be readjusted to an Incentive Allocation equal to 35%, as described above. If an Investor makes a partial withdrawal or receives a distribution at a time when he or she has unrecovered losses, for purposes of calculating the Incentive Allocation those unrecovered losses will be reduced in proportion to the withdrawal. Ursa, in its sole discretion, may elect to reduce, otherwise modify or waive the Incentive Allocation with respect to any Investor.

Incentive Allocation, Opportunistic Investments

The OI Incentive Allocation (as defined below) will be calculated separately from and independently of the Incentive Allocation applicable to the Fund's other investments. Upon liquidation of the Opportunistic Investment, Ursa will receive an allocation equal to 35% of the Net Income allocated to each OI Capital Account (the "OI Incentive Allocation"). For the avoidance

of doubt, the OI Incentive Allocation shall be calculated and earned, and may be withdrawn by Ursa, when the Opportunistic Investment is liquidated.

If, upon liquidation of the Opportunistic Investment, an Investor's OI Capital Account has unrecovered losses, then no OI Incentive Allocation is made with respect to that Investor's OI Capital Account. Each OI Incentive Allocation is calculated and earned, and may be withdrawn, by Ursa separately and independently of any prior or future OI Incentive Allocations. For the avoidance of doubt, any unrecovered losses in respect of the Opportunistic Investment will not be carried forward to the Investor's Capital Account in the Fund or included in the calculation of the Incentive Allocation applicable to the Fund's other investments, including any future Opportunistic Investments. Ursa, in its sole discretion, may elect to reduce, otherwise modify or waive the OI Incentive Allocation with respect to any Investor.

Expenses

The Fund bears its own expenses including, but not limited to, investment related expenses such as the Fund's brokerage commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees, withholding and transfer fees, taxes, systems and technology expenses, third party research tools, corporate licensing fees, legal and auditing expenses, accounting (including Foreign Account Tax Compliance Act compliance costs), fund administration, filing fees and expenses (including regulatory filings made in respect of the Fund such as Form PF preparation and filing expenses), outsourced risk management advisory and software, investment related consultants and travel costs that are research related, expenses incurred with respect to the preparation, duplication and distribution to Investors and prospective Investors of Fund offering documents, annual reports and other financial information, marketing and syndication expenses (including those incurred in marketing Fund Interests in the European Union), office space and utilities and any other services or service provider expenses deemed necessary by Ursa on behalf of the Fund.

Ursa bears its own expenses, including computer equipment and software (not otherwise paid by the Fund), healthcare and secretarial, clerical, employee related and other personnel, except as assumed by the Fund or except as paid for through the permitted use of commission dollars.

Item 6 - Performance-Based Fees and Side-By-Side Management

Please refer to Item 5 for the description of our performance-based fees.

Item 7 – Types of Clients

We provide investment advice to the Fund previously described. Investors in the Fund may include high net worth individuals, trusts, foundations, endowments, charitable organizations, pension plans and other unregistered funds.

The minimum initial investment in the Fund is \$500,000. The minimum investment in the Fund may be modified by Ursa.

Each investor in the Fund must be an "accredited investor" as defined in Regulation D under the U.S. Securities Act of 1933, as amended. Each investor in the Fund must also be a "qualified client" as defined in Section 275.205-3 of the U.S. Investment Advisers Act of 1940, as amended (the "1940 Act").

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*Investment Strategy and Process, Generally*

Ursa utilizes proprietary scanning methods of corporate filings together with extensive research and analysis to seek attractive investment opportunities.

Once Ursa has sourced an idea, it will follow news flow and corporate filings, searching for an attractive entry point. If Ursa identifies an attractive entry point, it will generally express its views by initiating a stock, options or combined stock and options position.

Ursa intends to employ a discerning and patient approach, and will only trade in opportunities that it believes have favorable risk-reward characteristics. There may be occasions when the Fund does not make many trades, if Ursa determines that there are few or no compelling opportunities. Ursa believes this strategy will provide investors with exposure to a selective number of thoroughly vetted opportunities throughout the year.

The Fund's portfolio is expected to be concentrated in certain "Big Event" opportunities that Ursa considers promising, after conducting extensive research and game planning with respect to such opportunities. The Fund may make certain follow-on investments ("Opportunistic Investments") in Big Event investments from time to time (see Opportunistic Investments below).

Ursa anticipates supplementing the Fund's Big Event investments with investments in "Small Event" opportunities each month, through which Ursa seeks to cover costs and generate small positive returns. Big Event and Small Event opportunities share similar characteristics, although Big Event trades are more liquid and can be forecast much further in advance.

When conditions allow, the Fund may employ an "interest rate arbitrage" strategy, whereby it can collect a higher implied interest rate through a combined stock versus options structure than the debt financing rate paid to the clearing firms utilized by the Fund. The interest rate arbitrage strategy can lead to concentrated holdings and significant margin balances at one or more of the Fund's clearing firms. There can be no assurance that Ursa will be able to employ this strategy as the implied interest rates collected with the combined stock versus options structure could be below the interest rates charged by one or more of the Fund's clearing firms.

The Fund generally invests in publicly-traded equity securities and derivatives, but it may also invest in other instruments, including but not limited to purchasing or selling debt instruments and instruments that are not listed on a U.S. exchange.

Investment Strategy and Process, Opportunistic Investments

An "Opportunistic Investment" is an opportunity extended by the Fund from time to time that allows each Investor to increase their exposure to the Fund's best Big Event investments at each Investor's sole discretion. The specific instruments of each Opportunistic Investment and the specific strategies will be set forth in a separate "Opportunistic Investment Addendum" applicable to such Opportunistic Investment.

The Fund will generally only allow Opportunistic Investments when the investment allows for additional investment capacity beyond the on-going capital in the general Fund account. The Fund will generally utilize the capacity in the general Fund account first, before utilizing any Opportunistic Investment funds.

Additionally, certain Investors of the Fund may elect to participate only in Opportunistic Investments. A Investor that participates only in a specific Opportunistic Investment generally has the same rights and characteristics of the Investors of the Fund, except as set forth in the applicable Opportunistic Investment Addendum for each such Opportunistic Investment.

Risk Factors, Generally

Following are descriptions of some of the most common risks associated with investing in the Fund. Please consult the Fund's Private Placement Memorandum for a more complete disclosure of risks.

Reliance On Ursa. The success of the Fund depends on Ursa's ability to develop and implement investment strategies to achieve the Fund's investment objectives. Although Ursa may impose limits on the types of positions the Fund may take, or the concentration of its investments, the Partnership Agreement imposes no such limits. Investors will have no right or power to take part in the management of the Fund. The Fund's investment performance could be materially adversely affected if any members of the investment team were to die, become ill or disabled, or otherwise cease to be involved in the active management of the business of the Fund's portfolio.

Absence of Regulatory Oversight. While the Fund may be considered similar to an investment company, it is not required, and does not intend, to register as such under the laws of any jurisdiction. For instance, the provisions of the Investment Company Act of 1940, as amended (the "Investment Company Act"), which may provide certain regulatory safeguards to investors, are not applicable.

Business and Regulatory Risks of Hedge Funds. Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Fund and the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Fund could be substantial and adverse.

Limited Withdrawal Rights. An investment in the Fund is suitable only for certain sophisticated investors who have no need for liquidity in the investment. Generally, Investors may withdraw their Capital Accounts as of the end of each calendar month after the expiration of the applicable Lock-Up Period. Ursa, in its sole discretion, may waive the Lock-Up Period requirement or any withdrawal restriction as to any Investor. Further, distribution of proceeds upon an Investor's withdrawal may be limited where, in Ursa's view, the disposal of all or part of the Fund's assets, or the determination of the value of the Investor's Capital Account, among other reasons, would not be reasonable or practicable or would be prejudicial to the non-withdrawing Investors.

Incentive Allocation to Ursa. Ursa is entitled to receive an Incentive Allocation, based upon the net capital appreciation, if any, allocated to the Capital Account of an Investor. The Incentive Allocation may create an incentive for Ursa to make investments that are riskier or more

speculative than would be the case if such arrangement were not in effect. In addition, because the Incentive Allocation is calculated on a basis which includes unrealized appreciation of the Fund's assets, it may be greater than if such compensation were based solely on realized gains.

Risk Factors, Investment and Trading

General Investment and Trading Risks. An investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Fund invests in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that the Fund's program will be successful. The Fund's investment program may utilize investment techniques including, but not limited to option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which the Fund may be subject.

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

Small- and Mid-Cap Risks. A portion of the Fund's assets may be invested in securities of small-cap and mid-cap issuers. While in Ursa's opinion the securities of small- and mid-cap issuers may offer the potential for greater capital appreciation than investments in securities of large-cap issuers, securities of small-cap issuers may also present greater risks. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers. Transaction costs in securities of small- and mid-cap issuers may be higher than in those of large-cap issuers.

Commodities and Derivative Investments. The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, the Fund's assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

The Fund may buy or sell (write) both call options and put options, and when it writes options, it may do so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Fund’s option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

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

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

Use of Leverage and Financing. The Fund may leverage its capital because Ursa believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its securities in order to borrow additional funds for investment purposes. The Fund may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. There is no limit on the Fund’s ability to borrow or use leverage. While leverage presents opportunities for increasing the Fund’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund’s investments could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged. The use of short-term margin borrowings results in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund’s margin accounts decline in value, the Fund could be subject to a “margin call”, pursuant to which the Fund must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund’s assets, the Fund might not be able to liquidate assets quickly enough to satisfy its margin requirements. The Fund may borrow by entering into reverse repurchase agreements. Under a reverse repurchase agreement, the Fund sells securities

and agrees to repurchase them at a mutually agreed date and price. Reverse repurchase agreements may involve the risk that the market value of the securities retained in lieu of sale by the Fund may decline below the price of the securities the Fund has sold but is obligated to repurchase. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the Fund's obligation to repurchase the securities and the Fund's use of the proceeds of the reverse repurchase agreement may effectively be restricted pending such decision. To the extent that, in the meantime, the value of the securities that the Fund has purchased has decreased, the Fund could experience a loss. The financing used by the Fund to leverage their portfolio is extended by securities brokers and dealers in the marketplace in which the Fund invests. While the Fund attempts to negotiate the terms of these financing arrangements with such brokers and dealers, its ability to do so is limited. The Fund is therefore subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer's willingness to continue to provide any such credit to the Fund. Because the Fund currently has no alternative credit facility which could be used to finance its portfolio in the absence of financing from broker-dealers, it could be forced to liquidate its portfolio on short notice to meet its financing obligations. The forced liquidation of all or a portion of the Fund's portfolio at distressed prices could result in significant losses to the Fund.

Special Situations. The Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction will either be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund may invest, there is a potential risk of loss by the Fund of a significant portion of its investment in such companies.

Short Selling. Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Fund engages in short sales depends upon Ursa's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Limited Diversification. The Partnership Agreement does not limit the amount of the Fund's capital that may be committed to any single investment, industry or sector. At any given time, it

is therefore possible that Ursa may select investments that are concentrated in a limited number or types of investments. This limited diversity could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

Item 9 – Disciplinary Information

In November 2016, Ursa Group, LLC, a former affiliate of Ursa Fund Management, LLC, entered into a settlement agreement with the Chicago Board Options Exchange (“CBOE”) related to File no. 16-0030. As part of the settlement agreement, Ursa Group, LLC agreed to pay a fine of \$45,000. More information about this event is available by viewing the Firm’s ADV Part 1 available on the SEC’s website, which is listed on the cover page of this brochure.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Ursa Fund Management LLC nor any of its principals are registered or have an application pending to register as (1) a broker-dealer or a registered representative of a broker-dealer; or (2) a futures commission merchant, commodities pool operator, a commodity-trading advisor, or an associated person of the foregoing entity

Ursa Fund Management LLC, a Delaware limited liability company, is the General Partner of Ursa Fund Partners LP.

Ursa, our affiliates and its members, officers and employees may engage in other business activities, including providing investment management and advisory services to other accounts, and shall not be required to refrain from any activity, to disgorge profits from any such activity or to devote all or any particular amount of time or effort of any of their officers, directors or employees to a Fund and its affairs. Any such accounts may pursue a substantially similar investment strategy as that of another Fund.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Ursa has adopted a Code of Ethics (“Code”) that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with Ursa, and establishes procedures intended to prevent Ursa, and its personnel and certain of their relatives, from inappropriately benefiting from Ursa’s relationships with its clients.

The Code provides that:

- i. Ursa’s clients’ interests come before Ursa’s or employees’ interests;
- ii. Ursa must disclose to clients all material facts about conflicts of which it is aware between Ursa’s and its employees’ interests on the one hand and clients’ interests on the other;
- iii. Employees must operate on Ursa’s and their own behalf consistently with Ursa’s disclosures to and arrangements with clients regarding conflicts and its efforts to manage the impacts of those conflicts;
- iv. Ursa and its employees must not take inappropriate advantage of Ursa’s clients or their positions of trust with or responsibility to clients; and

- v. Ursa and its employees must comply with all applicable securities laws. The Code generally prohibits employees from trading in any securities held by client accounts and requires employees to report personal securities holdings on an annual basis.

In addition, Ursa monitors all employees' securities transactions: employees must arrange for duplicate copies of their brokerage statements and trade confirmations to be sent to the Chief Compliance Officer. The Code includes procedures for and restrictions on employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement that may be caused by client transactions or Ursa's recommendations regarding securities. Among other things, these include requirements that employees make a written request for and receive clearance from Ursa's Chief Compliance Officer (or his or her designee) before they buy or sell any security (other than certain government securities, shares of mutual funds not managed by Ursa, and certain other types of securities that Ursa does not believe create a potential for conflicts of interest). Pre-cleared transactions must be completed within a specified time frame. The Code also contains restrictions on and procedures to prevent inappropriate trading while Ursa is in possession of material nonpublic information.

Ursa will provide a copy of its Code of Ethics to any client or prospective client upon request. Such a request may be made by submitting a written request to Ursa at the address on the cover page to this brochure.

Item 12 – Brokerage Practices

We are responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. Our primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible. We also take into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and the commissions charged. We may also consider the quality, comprehensiveness and frequency of available research and other products and services considered to be of value. The products and services furnished by broker-dealers may include, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; and statistics and pricing or appraisal services, discussion with research personnel, special execution capabilities, and the availability of stocks to borrow for short trades.

Ursa currently does not utilize "soft dollars" to pay for Fund expenses.

The Fund has an account established at brokers for clearing and settling the Fund's securities and options transactions. Settlement functions normally include, among other matters, arranging for (i) the receipt and delivery of securities purchased, sold, borrowed and loaned, (ii) the making and receiving of payments, (iii) custody of securities fully paid for or not fully paid for and (iv) custody of all cash, dividends and exchanges, distributions and rights accruing to the Fund's account. The Fund may utilize other brokers from time to time. The Fund is not committed to continue its relationship with its broker(s) for any minimum period and the Fund may, in its sole discretion, select other brokers for Fund.

We do not direct client transactions to a particular broker-dealer in return for client referrals. We do not recommend, request, require or permit a client to direct us to execute transactions through a specified broker-dealer.

We will not engage in cross trades between client accounts, as such trades could potentially pose a conflict of interest for one or more of our clients.

Any trading errors (errors relating to placement, execution, or settlement of trades) due to causes other than fraud, gross negligence, reckless or intentional misconduct, or criminal wrongdoing will be for the account of the Fund, which will accept the profits or suffer the losses from such trading errors pro rata. Ursa believes that trading errors are a known cost of doing business. Ursa has obvious incentives to avoid trading errors for reputational reasons as well as the fact that Ursa will indirectly suffer the consequences of trading errors through the Incentive Allocation payable to Ursa. Nevertheless, Investors should assume that trading errors will occur periodically and that the Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Ursa's personnel.

Item 13 – Review of Accounts

Review of Accounts

The Fund portfolio is reviewed by Andrew Hahn and Russell Douglas on a regular basis (typically daily) to ensure appropriate exposure and risk levels based on market conditions. On a monthly basis, the Principals review the Fund to determine that investment activities comply with the restrictions of the offering documents and to reconcile positions, valuations, cash, corporate actions, and performance between custodians and Ursa's books and records.

Reports

Each Investor receives the following reports:

Monthly:

- An unaudited estimate of net fund performance
- A capital statement showing individual Investor returns and activity

Quarterly:

- A letter from Ursa's managing member.

Yearly:

- Audited fund financial statements
- Schedule K-1s for investors in the Fund.

Item 14 – Client Referrals and Other Compensation

Ursa does not receive any economic benefit from a person who is not a client for providing investment advice or other advisory services to Ursa's clients. Ursa does not directly compensate any person for advisory client referrals.

Item 15 – Custody

Custody of the Fund's assets is maintained with a prime broker or other broker ("qualified custodian"). The Fund is audited annually and Investors in the Fund are sent the audited financial statements within 120 days following the end of the Fund's fiscal year end. The audit is conducted by a Public Company Accounting Oversight Board (PCAOB) accountant. Though all Fund assets are maintained at a qualified custodian, Ursa (as General Partner of the Fund) is deemed to have custody of such Fund assets due to its ability to take control or possession of such assets. Due to this, Ursa is required to report the assets associated with the Fund in ADV Part 1 Item 9. In light of the foregoing, Ursa has implemented the audit procedures described at the beginning of this Item 15 to provide Investors with confirmation of the safekeeping of Fund assets.

Item 16 – Investment Discretion

Ursa has broad discretion, without limitation, to determine the:

- securities to be bought or sold for the Fund account(s);
- amount of securities to be bought or sold for the Fund account(s);
- broker or dealer to be used for a purchase or sale of securities for the Fund account(s);
- commission rates to be paid to a broker or dealer for the Fund's securities transaction(s).

Item 17 – Voting Client Securities

Ursa has adopted policies and procedures that address generally the guidelines it expects to follow in the exercise of its voting authority over proxies it receives on behalf of clients. Ursa will vote client proxies in the best interest of its clients. Ursa will consider a number of factors to determine whether exercising the clients' voting rights as to its securities is in the relevant clients' best interest, such as whether the securities are being held for a short or long period of time. When voting a proxy, Ursa will generally follow its voting guidelines. Ursa attempts to identify conflicts of interest that may arise in the proxy decision making process. If a material conflict of interest over proxy voting arises between Ursa and a client, Ursa will seek to resolve the conflict and vote the proxies in a manner that is in the relevant clients' collective best interests. Ursa will provide, upon request, a copy of those policies and procedures and/or information concerning its voting record on account proxy matters. Such a request may be made by submitting a written request to Ursa at the address on the cover page of this brochure.

Item 18 – Financial Information

Ursa does not solicit or require prepayment of more than \$1200 per client, six months or more in advance, and has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Ursa Fund Management LLC has not been the subject of a bankruptcy petition.