

INVESTMENT ADVISER BROCHURE

ESCHATON OPPORTUNITIES FUND MANAGEMENT LP

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Eschaton Opportunities Fund Management LP. If you have any questions about the contents of this Brochure, please contact us at (305) 925-0420. 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 authority.

Eschaton Opportunities Fund Management LP is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Eschaton Opportunities Fund Management LP is also available on the SEC’s website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

Eschaton Opportunities Fund Management LP filed its most recent Form ADV Part 2 on June 27, 2019. This annual amendment updates the description of the business practices and advisory services of Eschaton Opportunities Fund Management LP.

ADVISORY BUSINESS

Eschaton Opportunities Fund Management LP, a Delaware limited partnership and a registered investment adviser (the “**Adviser**”), and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Adviser commenced operations in May 2016.

The Adviser currently acts as investment manager to Eschaton Opportunities Fund II LP (“**Fund II**,” and together with any future private investment fund sponsored and organized by the Adviser and to which it provides investment advisory services from time to time, the “**Funds**”). The Adviser also acts as a sub-adviser to Prelude Opportunity Fund, LP (the “**Prelude Fund**”), a private investment fund sponsored and managed by a third-party investment manager.

Any general partner of a Fund also is subject to the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which, together with the Adviser, operate as a single advisory business. Eschaton Opportunities Fund II GP LP (the “**General Partner**” and together with any future General Partners, the Adviser and their affiliated entities, “**Eschaton**”) is the general partner of Fund II, and currently is the only general partner entity affiliated with the Adviser.

Eschaton’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, managing and monitoring investments, ongoing portfolio construction analysis and disposition of such investments. The Funds are hedge funds and invest in various securities and other investment instruments in accordance with Eschaton’s diversified long-short strategy, as set forth in “Methods of Analysis, Investment Strategies and Risk of Loss.”

Eschaton’s advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a “**Memorandum**”), investment management agreements, limited partnership or other operating agreements (each, a “**Partnership Agreement**” and, as applicable, together with any relevant Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents. From time to time, Eschaton enters, or expects to enter, into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

As of December 31, 2019, Eschaton managed \$121,360,000 in client assets on a discretionary basis. Eschaton is principally owned and controlled by William Walker Strong.

FEES AND COMPENSATION

In general, Eschaton receives a management fee and a performance allocation in connection with its advisory services to the Funds. Investors in a Fund also bear certain expenses.

Management Fees

Fund II pays Eschaton, quarterly in advance, a management fee (the “**Management Fee**”), equal to (i) 1.5% with respect to Class A Interests and (ii) 1.75% with respect to Class B Interests, in each case on an annual basis of the net asset value attributable to the relevant class of interests. The Management Fee is accrued on a monthly basis. Installments of the Management Fee payable for any period other than a full quarterly period are adjusted on a *pro rata* basis.

Performance Allocation

In addition to the Management Fee described above, at the end of each calendar year and upon a limited partner’s withdrawal (or receipt of a distribution) of all or any portion of its interest in Fund II for any reason, the General Partner will be allocated a performance allocation from each limited partner with respect to such period. The performance allocation for each limited partner’s capital account for such period will be an amount equal to (i) 12.5% of the allocable net profit attributable to capital accounts holding Class A Interests in excess of a benchmark specified in Fund II’s Governing Documents and (ii) 17.5% of the allocable net profit attributable to capital accounts holding Class B Interests, in each case, as computed in accordance with the terms of the Governing Documents. The Governing Documents also contain a loss recovery provision intended to prevent any performance allocation from being made from any capital account of a limited partner until any net loss previously allocated to such capital account has been offset by subsequent net profits. The performance allocation generally is calculated and accrued on a monthly basis (or, on the occurrence of certain events specified in the Governing Documents, on a more frequent basis).

The General Partner, in its sole discretion, is permitted to fully or partially waive the performance allocation with respect to investments made by any partner, including any member of Eschaton Group (defined below), without notice to or the consent of the other partners. The General Partner is permitted to pay all or a portion of the performance allocation it receives from Fund II to a third party or to the Adviser.

Other Information

Eschaton is permitted to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or performance allocation, including investors that are affiliated or associated with Eschaton, its respective principals and affiliates and/or persons or accounts advised by any of them or their respective affiliates, including all investment funds or other persons affiliated with, or sponsored or managed by, Eschaton (collectively, “**Eschaton Group**”). Any such exemption from fees and/or the performance allocation may be made by a direct exemption or a rebate by Eschaton and/or its affiliates.

Principals or other current or former employees of Eschaton generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, the performance allocation or other compensation received by Eschaton or its affiliates.

In addition to the Management Fee and performance allocation payable to Eschaton, each Fund bears certain expenses. As set forth more fully in the applicable Governing Documents of each Fund, a Fund bears all costs and expenses relating to the Fund's activities, investments and business, including, without limitation: auditing expenses; accounting, tax, tax preparation and legal fees, costs and expenses; investment-related fees, costs and expenses; software licensing, data, service and market information relating to the Fund's trading strategy; swaps or derivative instruments and of negotiating brokerage and trading arrangements with respect thereto; hedging costs; travel expenses (including travel expenses incurred by the General Partner or the Adviser in connection with their due diligence review of investments and prospective investments); printing and postage expenses; preparation, distribution or filing of Fund-related financial statements or other reports, tax returns, tax estimates and schedules K-1; trading and risk management software expenses; brokerage fees, commissions and expenses; short sales (including dividend and stock borrowing expenses); clearing and settlement charges; custodial fees and expenses; depository fees; bank service fees; margin and other interest expenses and transaction fees; borrowing fees and expenses; blue sky and corporate reporting or filing fees and expenses; administrative or regulatory filings or reports (including Form PF and any Fund-related filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation); directors' and officers' liability, errors and omissions liability and other insurance and regulatory expenses; organizational expenses; ongoing offering expenses; placement and placement agent expenses; fees and expenses of any administrator; fees and expenses of third-party providers of middle- or back-office services; any extraordinary expenses (*e.g.*, litigation expenses) incurred by the Fund (whether or not required by GAAP); taxes, fees and other governmental charges levied against the Fund (other than certain amounts specified in the Governing Documents); the out-of-pocket expenses of any advisory committee or advisory committee members appointed by the General Partner pursuant to the Governing Documents; and other Fund expenses as incurred by the Fund, the General Partner or the Adviser. Excluded from Fund expenses are ordinary administrative and overhead expenses of the General Partners incurred in connection with managing, originating and monitoring investments, including employees' salaries, rent, utilities and other similar overhead expenses specified in the Governing Documents. As is typical for hedge funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices." In certain circumstances, Eschaton is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

In addition to Fund II, the Adviser also provides sub-advisory services to the Prelude Fund in exchange for a sub-advisory fee. Such sub-advisory fee will be an amount equal to 50% of the net realized and unrealized gains of the Prelude Fund, as computed in accordance with the terms of the sub-advisory agreement between Eschaton and Prelude Capital Management, LLC, the principal investment manager of the Prelude Fund. Additional detail about the fees and expenses relating to the Prelude Fund is available in the governing documents of the Prelude Fund and the Form ADV of Prelude Capital Management, LLC.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” the General Partner receives a performance allocation on certain realized and unrealized gains in Fund II and the Prelude Fund. Eschaton does not advise Funds not subject to a performance allocation, although it generally has the authority to waive the performance allocation with respect to certain investors, including members of Eschaton Group, as described under “Fees and Compensation.”

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Eschaton generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

Eschaton provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Eschaton and its affiliates and members of their families, or other service providers retained by Eschaton.

Each Fund generally has a minimum investment amount of \$2 million for third-party investors, and Fund interests are offered and sold solely to accredited investors that are also qualified clients (or qualified knowledgeable Eschaton personnel). Such minimum investment amount may be waived by Eschaton.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Eschaton is a private investment firm focused on making long and short investments across all parts of the capital structure of a company. Investments may include equity securities, commodities or commodities-related securities (*e.g.*, exchange traded funds organized to hold and trade in commodities), foreign exchange instruments, cryptocurrencies, public and private debt securities, loans, convertible debt, credit default swaps, options and related instruments. Eschaton’s investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments.

Eschaton focuses on opportunities that align with its views on the eventual end of the post-financial crisis, central bank-fueled, macro-economic paradigm. Eschaton believes the era of global debt growth and monetary stimulus potentially creates a set of opportunities of which the Funds will seek to take advantage. There can be no assurance that Eschaton will achieve the investment objectives of any Fund and a loss of investment is possible.

Investment and Operating Strategy

Eschaton conducts extensive macro-economic research to identify trends, themes, and markets on which fundamental security selection should be focused. This macro overlay helps provide direction and guidance for security selection and proprietary company due diligence. The investment strategy can be summarized as contrarian, cross-capital structure, global value.

Eschaton employs original research and thinking to seek attractive dislocations between valuation and fundamentals. Eschaton relies on the years of experience of its principals and their diverse network of contacts to source and research investment ideas. Eschaton focuses on the quality of the business, capability of the management team, metrics such as return on invested capital and return on assets, capital allocation philosophy, capital structure, cash flows and the sustainability of each prospective portfolio company to determine a margin of safety. After identifying potential investment opportunities, Eschaton runs scenarios that will aim to identify where asymmetrical risk/reward opportunities can be achieved. This investment process is used to discover both long and short themes and individual security ideas.

Portfolio construction will be driven by fundamental research and the identification of what Eschaton believes are attractive risk-adjusted return opportunities. Eschaton employs a long-short strategy and expects to hedge certain risks and themes through the use of shorting, options and other protective strategies.

Risks of Investment

Each Fund and its investors bear the risk of loss that Eschaton's investment strategy entails. The risks involved with Eschaton's investment strategy and an investment in each Fund may include, but are not limited to:

1. *Business Risks.* The Fund's investment portfolio consists primarily of liquid securities issued by publicly-traded companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. Such risks include, without limitation, volatility in the valuation of such companies, lack of control over the management of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times, and increased costs associated with each of the aforementioned risks.
2. *Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such uncertainty may be compounded by local, regional or global health crises including but not limited to the rapid and/or pandemic spread of novel viruses (*e.g.*, SARS, MERS, COVID-19 (Coronavirus) and/or other similar epidemics). Such health crises could exacerbate the political, social and economic risks previously mentioned, and result in significant breakdowns, delays and other disruptions to important global, local and regional supply

chains, with potential corresponding results on the operating performance of affected investments. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund to execute its strategies and to receive an attractive multiple of earnings on the disposition of its investments. This may slow the rate of future investments by Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon investments made by the Fund.

3. *Global Public Health Considerations.* Disease outbreaks and other public health conditions, such as the recent global outbreak of the coronavirus, in markets in Fund investments and/or their consumers, customers, suppliers or manufacturers reside and operate, could have a significant negative impact on the operating revenues, profitability and business of certain Fund investments. The occurrence of these types of events can result, and in the case of the COVID-19 has resulted in, disruptions and damage to the business of affected companies, caused by both the negative impact to such companies' ability to operate normally and the negative impact on consumer purchasing behavior. The COVID-19 outbreak continues to be fluid and uncertain, making it difficult to forecast the final impact it could have on affected companies' future operations. If any Fund investments experience prolonged exposure to the consequences of disease outbreaks, such as COVID-19, their business could be substantially harmed, which could result in losses to the Fund to the extent the Fund is holding a long equity position in such affected companies.
4. *Market Conditions.* Any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the Fund. The Fund's performance can be affected by deterioration in public markets and by market events, such as, in recent years, the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011. Movements in foreign exchange rates may adversely affect the value of investments in securities and the Fund's performance. The value of publicly traded securities may be volatile. The impact of market and other economic events may also affect the Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.
5. *Leveraged Investments.* The Fund may make use of leverage by incurring debt to finance its investments. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants

on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. If leverage is employed by the Fund, it will increase the exposure of the Fund's investments in its portfolio holdings to any deterioration in such companies' conditions or industries, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in such leveraged portfolio holdings in a down market. Furthermore, should the credit markets be tight at the time the Fund determines that it is desirable to sell all or a part of its portfolio holdings, the Fund may not achieve an exit multiple consistent with its forecasts.

6. *Fixed-Income Securities and Loans.* The Fund will invest in bonds or other fixed-income securities of U.S. and non-U.S. issuers, including, without limitation, bank debt, bonds, notes, debentures and commercial paper, as well as derivatives thereon. Fixed-income securities pay fixed, variable or floating rates of interest. The value of fixed-income securities in which the Fund invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities and bank loans can fluctuate in response to perceptions of creditworthiness, foreign exchange rates, political stability or soundness of economic policies. Fixed-income securities and bank loans are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).
7. *Timing Risk.* Many agency, corporate and municipal bonds contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains the right to refinance the bond in the future if market interest rates decline below the coupon rate. There are certain disadvantages to the call provision, including, without limitation: (i) the cash flow pattern of a callable bond is not known with certainty; (ii) because the issuer will call the bonds when interest rates have dropped, the Fund is exposed to reinvestment rate risk—the Fund will have to reinvest the proceeds received when the bond is called at lower interest rates; and (iii) the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.
8. *Equitable Subordination.* Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). Due to the nature of the debt obligations, the Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

9. *Non-Performing Nature of Debt.* It is anticipated that certain debt instruments purchased by Eschaton for the Fund will be non-performing and possibly in default at the time of such purchase. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to the loans.
10. *“Spread Widening” Risk.* For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which the Fund invests may decline substantially. In particular, purchasing assets at what may appear to be “undervalued” levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such “spread widening” risk.
11. *Equities.* Equities in which the Fund invests 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 to the Fund.
12. *Convertible Securities.* The Fund may invest in convertible securities. Convertible securities are preferred stocks or debt obligations that are convertible into common stock. Generally, convertible securities offer lower interest or dividend yields than non-convertible securities of similar quality and less potential for gains or capital appreciation in a rising stock market than other equity securities. Convertible securities tend to be more volatile than other fixed income securities, and the markets for convertible securities may be less liquid than markets for common stocks or bonds. Convertible securities have both equity and fixed income risk characteristics. Like fixed income securities, the value of convertible securities is susceptible to the risk of market losses attributable to changes in interest rates. The market value of convertible securities tends to decline as interest rates increase. If, however, the market price of the common stock underlying a convertible security approaches or exceeds the conversion price of the convertible security, the convertible security tends to reflect the market price of the underlying common stock. In such a case, a convertible security may lose much or all of its value if the value of the underlying common stock then falls below the conversion price of the security. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly based on its fixed income characteristics, and thus, may not necessarily decline in price as much as the underlying common stock. Additionally, an issuer may have the right to buy back certain of the convertible securities at a time and price that is unfavorable to the Fund.
13. *Exchange-Traded Funds.* The Fund may invest in the securities of exchange-traded funds (“ETFs”). Most ETFs are investment companies that aim to track or replicate a desired index of securities or commodities, sector, market or global segment. Many ETFs are passively managed and their shares are traded on a national exchange. ETFs do not sell individual shares directly to investors and only issue their shares in large blocks known as “creation units.” The investor purchasing a creation unit may sell the individual shares on a secondary market. Therefore, the liquidity of ETFs depends on the adequacy of the secondary market. There can be no assurance that an ETF’s investment objective will be achieved, as ETFs based on an index may not replicate and maintain exactly the

composition and relative weightings of securities or commodities in the index. ETFs are subject to the risks of investing in the underlying securities or commodities it holds. The Fund, as a holder of the securities of the ETF, will bear its *pro rata* portion of the ETF's expenses, including advisory fees. These expenses are in addition to the direct expenses of the Fund's own operations. ETF shares may trade at a premium or discount to their net asset value. As ETFs trade on an exchange, they are subject to the risks of any exchange-traded instrument, including: (i) an active trading market for shares may not develop or be maintained, (ii) trading of shares may be halted by the exchange, and (iii) shares may be delisted from the exchange.

14. *Illiquid Investments.* The Fund may make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists, such as private placements. Illiquidity increases risk and volatility and may make it impossible to close out positions against which the market is moving or to realize such positions' value at the time of sale, and may cause substantial delays in the payment of withdrawal proceeds.
15. *Options.* The Fund may buy or sell (write) call 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 class and amount of those as to which the call option applies. The Fund's options transactions may be part of a hedging tactic, *i.e.*, offsetting the risk involved in another securities position. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions into which the Fund may enter.

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 theoretically-unlimited risk of an increase in the market price of the underlying security or index above the exercise price (although the Fund will rarely be completely uncovered). If the option is covered, an increase in the market price of the security above the exercise price would cause the Fund to lose the opportunity for gain on the underlying security, assuming the Fund bought the security for less than 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.

16. *Portfolio Turnover.* Portfolio turnover generally will not be a limiting factor in making investment decisions for the Fund and may vary from year to year, as well as within a year.
17. *Non-U.S. Investments.* The Fund may invest in securities of companies that are organized or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the investors with respect to the Fund's income, and possible non-

U.S. tax return filing requirements for the Fund and/or the investors. Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

18. *Swap Agreements.* The Fund intends to enter into one or more swap agreements. Swap agreements generally are two-party contracts entered into by institutional investors, and may have durations of extended periods often exceeding more than one year. In a standard swap transaction, two parties agree to exchange the returns earned on specific assets, such as the return on, or increase in value of, a particular Dollar amount invested at a particular interest rate, in a particular foreign currency, or in a “basket” of securities representing a particular index. A swap contract may not be assigned without the consent of the counterparty, and if uncleared may result in losses in the event of a default or bankruptcy of the counterparty. See “Counterparty Risk,” below. Some swap agreements are traded in the over-the-counter (“OTC”) market and most would be considered to be illiquid.

Total return swaps are swap agreements where a party agrees to pay the counterparty the total return of a defined underlying asset in return for fixed or floating rate payments. There are certain legal, tax and market uncertainties that present risks in entering into such swaps. There is comparatively little historical case law or litigation characterizing total return swaps, interpreting their provisions, or characterizing their tax treatment. In addition, swaps have been subject to increased international regulations and laws in recent years, and additional regulations and laws may apply to total return swaps that have not heretofore been applied. There can be no assurance that future decisions construing similar provisions to those in any total return swap agreement or other related documents or additional regulations and laws will not have a material adverse effect on the Fund.

The total return swap counterparties with which the Fund may do business may encounter financial difficulties, fail, or otherwise become unable to meet their obligations. To the extent the relevant total return swaps are uncleared, any such development would impair the operational capabilities of the Fund or cause damaging losses, or even complete loss, of its capital. To help mitigate this risk, the Fund intends to contract only with major financial institutions with significant experience in issuing total return swaps.

19. *Short Selling.* The Fund is likely to engage in short selling as part of its investment strategies. A short sale by the Fund involves the sale of a security that the Fund does not own in the hope of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Fund must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Fund realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases, respectively, between the date of the short sale and the date on which the Fund covers its short position (*i.e.*, purchases the security to replace the borrowed security). A short sale involves the theoretically unlimited risk of an

increase in the market price of the security that would result in a theoretically unlimited loss.

20. *Dynamic Investment Strategy.* While Eschaton generally intends to seek attractive returns for the Fund primarily through making investments of the type described herein, Eschaton may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. In its sole discretion, Eschaton, without limitation, may pursue investments that do not conform to the investment strategy described herein. Any statements, projections or estimates regarding the number, size or type of investments or otherwise pertaining to the targeted investment portfolio composition are estimated based on Eschaton's intent as of the date of such statements and are subject to change due to market conditions or other factors.
21. *Derivatives.* The Fund may invest in complex derivative instruments that seek to modify or replace the investment performance of particular securities, commodities, currencies, interest rates, indices or markets on a leveraged or unleveraged basis. These instruments generally have counterparty risk and may not perform in the manner expected by the relevant counterparties, thereby resulting in greater loss or gain to the investor. These investments are all subject to additional risks that can result in a loss of all or part of an investment, in particular, interest rate and credit risk volatility, world and local market price and demand and general economic factors and activity. Derivatives may have very high leverage embedded in them that can substantially magnify market movements and result in losses greater than the amount of the investment. Some of the markets in which the Fund may effect derivative transactions are OTC or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty.
22. *Counterparty Risk.* Some of the markets in which the Fund may effect transactions are OTC or "interdealer" markets. The participants in such markets typically are not subject to the same credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of a clearinghouse, might not be available in connection with such OTC transactions. This exposes each Fund 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 the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. Eschaton is not restricted from dealing with any particular counterparty or from concentrating any or all of the Fund's transactions with one counterparty. Moreover, Eschaton has no formal credit function which evaluates the creditworthiness of the Fund's counterparties. The ability of the Fund to transact business with any one or 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 the Fund.

In addition, the counterparties with which the Fund effects transactions may, from time to time, cease making markets or quoting prices in certain of the instruments. In such instances, the Fund may be unable to enter into a desired transaction, or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, spot and option contracts and swaps on currencies do not provide a trader with the right to offset its obligations through an equal and opposite transaction. For this reason, in entering into spot or options contracts or swaps, the Fund may be required, and must be able, to perform its obligations under the contract.

23. *Derivative Clearinghouses and Exchanges; Required Central Clearing for Derivatives.* Historically, OTC derivatives (including, without limitation, swaps, certain options and other instruments) typically have been settled on an individual basis by the counterparties to the derivative instrument. As a result, each party to an OTC derivative has been subject to the risk that the other party will default on its obligations under the terms of the derivative instrument.

However, recently enacted legislation in the United States and Europe will require many derivatives that currently are (or historically have been) entered into on an OTC basis to be cleared through a central clearinghouse. Other similar measures may also be proposed in other jurisdictions. It is expected that such recent legislation will lead to the standardization of the terms of any derivative instruments cleared in such manner. Any such standardized terms are yet to be finalized and, thus, it is not possible to assess the degree to which any such standardized terms might permit Eschaton to implement, or prevent Eschaton from implementing, the Fund's investment program. In such cases, if Eschaton were unable to utilize such alternate methods, the impact on the Fund could be substantial and adverse.

Additionally, there can be no assurance that any such clearinghouses or exchanges will in fact be established, or that they will provide clearing facilities or a market of sufficient size or scope to benefit the Fund. There can be no assurance that Eschaton would deem any such standardized terms to be suitable for implementing the Fund's investment program in all cases or in any particular case. Accordingly, the Fund may not trade or clear some or all of its derivative instruments on or through any such clearinghouse or exchange even if one were to become available. In such cases, the Fund would remain subject to counterparty risk with respect to such instruments.

24. *Other Hedging Strategies.* The Fund, directly or indirectly, may opt to use a variety of financial instruments such as derivatives, options, swaps, caps and floors, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) establish a position as a temporary substitute for other securities; (v) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio;

(vi) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vii) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (viii) for any other reason that Eschaton deems appropriate.

Eschaton is not required to attempt to hedge portfolio positions in the Fund and, for various reasons, may determine not to do so. Furthermore, Eschaton may not anticipate a particular risk so as to hedge against it. While the Fund may enter into hedging transactions in seeking to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transaction. For a variety of reasons, Eschaton may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The success of the hedging strategy of the Fund is subject to Eschaton's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy is also subject to Eschaton's ability to recalculate continually, readjust and execute hedges in an efficient and timely manner. Moreover, it should be noted that the portfolio always will be exposed to certain risks that cannot be hedged, such as certain credit risk, "liquidity" risk and "widening" risk.

Certain hedging arrangements may create for Eschaton and/or one of its respective affiliates a registration or exemption obligation with the Commodity Futures Trading Commission (the "CFTC") or other regulator.

25. *Inside Information; Factors Affecting Investment Decision; Inability to Vote Certain Positions.* From time to time Eschaton Group may be in possession of material, non-public or other confidential information concerning the issuer of securities or other instruments in which the Fund has invested, or in which it intends to invest. The possession of such information may limit the ability of the Fund to buy or sell such securities or other instruments even if such information was obtained in the context of the investment activities of other funds managed by Eschaton Group. Accordingly, Eschaton may refrain from buying or selling such securities or other instruments on behalf of the Fund, whether indefinitely or at times other than when Eschaton might otherwise wish the Fund to buy or sell such securities or other instruments. Such inability to purchase or sell, or inability to purchase or sell at a desirable time or price, may be detrimental to the Fund. In determining a course of compliance with respect to material, non-public or other confidential information under the federal securities and other laws, Eschaton and its affiliates are specifically authorized by the Governing Documents to make decisions regarding purchase or sale orders, or other transactions, with a view to Eschaton's and its affiliates' overall compliance with applicable law, even where such compliance may be at cost to the Fund or where the interests of Eschaton Group may conflict (or deemed to conflict) with the interests of the Fund.

Eschaton Group manages, and may manage in the future, private funds and/or accounts across a number of strategies. The operative documents and investment programs of those funds and/or accounts may restrict, limit, prohibit or otherwise affect, in whole or subject

to certain procedural requirements, the Fund's ability to purchase or sell investments held by such funds and/or accounts or may give priority with respect to investments to such other funds and/or accounts. Some of these restrictions could be waived by investors (or their representatives) in such funds and accounts. However, Eschaton may or may not, in its sole discretion, seek any such waiver and, in any event, there can be no assurance that any waiver sought would be obtained. To the extent that another fund or account managed by Eschaton or its affiliates makes or is seeking to make an investment, the ability of the Fund to purchase or maintain the same investment may be adversely affected by such factors, as well as any limitation on availability of the investment and/or price movements relating to positions held or sought by such other fund or account. Eschaton Group may be required to choose between the Fund and other investment management clients in allocating investments, and may determine in its sole and absolute discretion to give priority to one particular fund or account over another.

In addition, as a result of voting agreements or other arrangements relating to certain issuers, securities or instruments in which the Fund is invested, Eschaton or its affiliates may also be subject to restrictions on their ability to vote or take other actions with respect to such issuers, securities or instruments. In such situations, Eschaton may not be able to vote or take other actions with respect to such issuers, securities or instruments in the manner that it otherwise would believe to be in the best interests of the Fund.

26. *Currency Exchange Exposure.* The Fund may make investments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. Dollar. The Fund, however, values its investments in U.S. Dollars. The Fund may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that investments suitable for hedging currency or market shifts will be available at the time when the Fund wishes to use them, or that hedging techniques employed by the Fund will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all.

To the extent unhedged, the value of the Fund's positions in non-U.S. investments will fluctuate with U.S. Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. Dollar compared to any other currencies in which the Fund makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Fund's investments in their local markets and may result in a loss to the Fund. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect on any non-U.S. Dollar investments of the Fund.

27. *Suspensions of Trading.* For securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in certain or all securities that it lists. Such a suspension could render it temporarily impossible for the Fund to liquidate its positions, and thereby expose the Fund to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for the Fund to close out positions.

28. *Cryptocurrencies.* The Fund may invest in virtual currencies (“**Digital Assets**”). Digital Assets are new technological innovations with a limited history and involve a high degree of business and financial risk that can result in substantial or total loss of investment. Digital Assets face a number of market, operational, legal and regulatory risks distinct from other types of assets in which the Fund invests.

Exposure to Digital Assets such as virtual currencies presents a number of market and operational risks, including volatile prices, disparate prices across different virtual exchanges, risk of an illiquid market, valuation risk, custody risk, risk associated with “mining” or verifying virtual currency transactions, risk of not converting virtual currencies into fiat currencies, and risk that a virtual currency exchange fails or closes due to a security breach, a distributed denial of service attack, fraud or other failure. Virtual currencies may be particularly vulnerable to virtual currency network attacks, hacking or security breaches.

Virtual currencies also present a number of legal and regulatory risks as U.S. federal, U.S. state or foreign government bodies or agencies maintain different classifications for virtual currencies within their respective jurisdictions and national or international regulation is rapidly changing and developing as the technology evolves. For example, in the U.S., the SEC has found that certain virtual tokens offered in an initial coin offering are securities that require the offering to be registered or exempt from registration, the CFTC treats bitcoin and other virtual currencies as commodities, the U.S. Financial Crimes Enforcement Network requires administrators or exchanges to register as a registered money services business, and while the IRS treats virtual currencies as property for U.S. federal income tax purposes, tax treatment issues remain with respect to valuation, timing of certain calculations and the applicability of Foreign Bank Account Reporting laws, among others. Furthermore, the global regulatory framework governing virtual currencies varies from country-to-country and continues to evolve. Some countries have taken an accommodating approach to the regulation of virtual currencies while others have banned their use. Accordingly, the promulgation of any U.S. or international laws or rules, an adverse change in applicable legal or regulatory requirements, or an adverse review by an applicable judicial authority of any such law or regulation, could have a material adverse effect of the price of certain Digital Assets.

29. *Other Instruments.* The Fund may take advantage of opportunities with respect to certain other instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Fund and legally permissible. Special risks may apply to instruments that are invested in by the Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Fund.
30. *Co-Investments.* Eschaton may, in its sole discretion, provide or commit to provide co-investment opportunities to limited partner or other persons (including but not limited to Eschaton Group), in each case on terms to be determined by the General Partner in its sole discretion. The allocation of co-investment opportunities could be made to one or more persons for any number of reasons, which may not be in the best interests of the Fund or any individual limited partner. The Fund may co-invest with third parties through

partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. In exercising its discretion to allocate co-investment opportunities with respect to a particular investment to and among potential co-investors and the terms thereof, the General Partner may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future fund sponsored by the General Partner or its affiliates.

Conflicts of Interest

Eschaton and its partners, officers, directors, stockholders, members, employees, affiliates and agents may be subject to certain potential or actual conflicts of interest in connection with the activities of, and investments by, a Fund, certain of which are discussed below.

Limitation of Responsibility

Eschaton, as a result of its various relationships to each Fund, has a fiduciary relationship to each Fund and the limited partners. However, the Governing Documents provide limitations on Eschaton's liability to a Fund and provide for indemnification of Eschaton and its affiliates under certain circumstances. Accordingly, limited partners may have more limited rights than they would have absent such limitations.

Competing Activities and Multiple Capacities

Eschaton Group does now, and may in the future, provide advice to other investment vehicles, partnerships, or accounts, including vehicles that may follow investment programs substantially similar to that of a Fund. In particular, Eschaton Group may form other such investment vehicles or partnerships, or advise other accounts with the same or similar investment strategies to a Fund or that invest in securities also purchased by a Fund, whether in the same or different classes of debt or equity. Eschaton or other members of Eschaton Group may make different recommendations, including different recommendations with respect to a single issuer or an investment, or pursue different investments or investment strategies on behalf of different clients or accounts, including a Fund. Participation in specific investment opportunities or other transactions may be appropriate for a Fund and one or more other clients or accounts of Eschaton Group. Trade orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which Eschaton or its affiliates consider equitable. Subject to the terms of its Governing Documents, the Governing Documents of such other clients or accounts, and applicable regulations, a Fund may buy securities from, or sell securities to, or co-invest with, such other entities or accounts.

Eschaton Group and its principals and employees may also carry on investment activities for their own accounts and for family members and friends who do not invest in a Fund, and may give advice and recommend securities to other accounts or investment entities that may differ from advice given to, or securities recommended or bought for, a Fund, even though their investment objectives may be the same or similar. In addition, Eschaton will manage other Funds that, in certain instances, also invest or may invest in equity and debt securities of public and private issuers (including securities convertible into equity and debt securities), derivative instruments and any other financial instruments or assets. The Governing Documents and investment programs of those other Funds may restrict, limit, or prohibit, in whole or subject to certain procedural requirements, investments of a Fund in issuers held by such other Funds or may give priority with respect to investments to such other Funds. Some of these restrictions could be waived by investors (or their representatives) in such other Funds. However, Eschaton may or may not, in its sole discretion, seek any such waiver and, in any event, there can be no assurance that any waiver sought would be obtained.

Eschaton Group and its personnel will devote as much of their time to the activities of a Fund as they deem necessary and appropriate. By the terms of the Governing Documents, Eschaton Group is not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with a Fund and/or may involve substantial time and resources of Eschaton Group and its personnel. These activities could be viewed as creating a conflict of interest in that the time and effort of Eschaton Group and its personnel will not be devoted exclusively to the business of a Fund but will be allocated between the business of a Fund and the management of the assets of other advisees of Eschaton Group. In addition, Eschaton Group may give advice and recommend securities or other transactions to other clients or accounts that may differ from advice given to (or securities recommended or bought for or transactions entered into by) a Fund, even though their investment objectives may be the same or similar to those of another Fund. In certain cases, information received by Eschaton Group or Eschaton may restrict or otherwise influence trading of a Fund.

Under the Governing Documents, Eschaton has broad latitude to make investment decisions with respect to a Fund, any master fund and any investment vehicle, even where such investment decisions may differ from those made on behalf of other clients or accounts, including that: (i) certain investments may be appropriate for a Fund and also for other clients or accounts of Eschaton Group; (ii) a particular investment may be purchased or sold, or any other transaction entered into, for only a Fund or Eschaton Group in different amounts, at different times or in different investments in the same issuer for more than one but less than all clients or accounts, including a Fund; (iii) a particular investment may be purchased for a Fund or Eschaton Group when one or more other clients or accounts, Eschaton Group and/or a Fund are selling the investment; (iv) a particular investment may be sold for a Fund or Eschaton Group when one or more other clients or accounts, Eschaton Group and/or a Fund are purchasing the investment; (v) purchases or sales of, or other transactions in, the same investment may be made for two or more clients or accounts, Eschaton Group and/or a Fund, on the same or different dates, in which case such transactions will be allocated among such Persons in a manner believed by Eschaton to be fair and equitable to each over time; (vi) purchase and sale orders, or other transactions, for a Fund may be combined with those of other clients or accounts and Eschaton Group in the interest of most favorable net results to a Fund over time; (vii) in effecting transactions, it may not always be

possible, or consistent with the investment objectives of the various persons described above and of a Fund, to take or liquidate the same investment positions at the same time or at the same prices; (viii) Eschaton and other members of Eschaton Group are specifically authorized to make decisions regarding purchase or sale orders, or other transactions, with a view to Eschaton Group's overall compliance with applicable law, even where such compliance may be at cost to a Fund or where the interests of Eschaton Group may conflict (or be deemed to conflict) with the interests of a Fund; (ix) to the extent that available investment opportunities are limited or would otherwise conflict, Eschaton Group is specifically authorized to choose between other clients or accounts, Eschaton Group and/or a Fund in allocating investments, and to determine in its sole and absolute discretion to give priority to one such client or account, Eschaton Group and/or a Fund over any of the others; and (x) Eschaton or other members of Eschaton Group may otherwise make different recommendations, or pursue different investments or investment strategies, on behalf of different clients or accounts.

Eschaton Group, its principals, employees and/or certain of its affiliates or persons affiliated with an employee of Eschaton Group, may perform accounting, tax, tax preparation or legal services for a Fund, any offshore fund, any master fund or their affiliates. Additionally, Eschaton Group and its managed funds, as well as its personnel and their affiliated accounts, may be significant investors in a Fund or any offshore fund from time to time.

Valuation

In the event that a Fund holds securities and financial instruments that may not have readily available market quotes, Eschaton generally will value such securities and financial instruments in good faith at fair value based on various factors, including, without limitation, external pricing sources (if any), recent trading activity (if any) or other information aimed at a relative value assessment process that incorporates, among other factors in Eschaton's discretion, current market conditions, position size, trends and prices. Such valuations may vary from similar valuations performed by independent third parties for similar types of securities and financial instruments. Additionally, such valuations will directly correlate to the compensation paid or allocated by a Fund to Eschaton and may, therefore, create conflicts of interest.

Performance Allocation

The performance allocation may create an incentive for Eschaton to invest Fund assets in investments that are riskier or more speculative than would be the case if Eschaton was compensated based on a flat percentage of capital. In addition, the performance allocation is determined on the basis of the value of the capital accounts of limited partners, including value attributable to unrealized appreciation. Any securities traded directly by a Fund for which market quotations are not available may be valued by or at the direction of Eschaton at such value as it may reasonably determine and may not be independently valued or verified by a third-party. Eschaton may have an incentive to place the highest reasonable value on a Fund's respective investments.

Differing Positions in the Capital Structure

Eschaton Group may cause its client funds or accounts, including a Fund, to purchase different classes of debt and/or equity of the same borrower or issuer, subject to any applicable requirements or restrictions in the operating documents of such clients or accounts. These and other investments may be deemed to create conflicts of interest, particularly because Eschaton Group may take certain actions for some clients or accounts with respect to one class of debt or equity that may be adverse to other clients or accounts who hold other classes of debt or equity of the same borrower or issuer. In such cases, Eschaton Group will seek to act in a manner it believes in good faith to be fair to clients over time and under the circumstances.

Any of these situations subjects Eschaton and/or its affiliates to potential conflicts of interest. Eschaton attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Eschaton's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, Eschaton will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Under the Governing Documents of a Fund, Eschaton may appoint an advisory committee comprised of industry figures, limited partners or their respective representatives, provided such persons are not affiliates of Eschaton. To the extent formed and, where deemed necessary or advisable in its discretion, Eschaton may consult with and receive consent to potential conflicts from such an advisory committee.

DISCIPLINARY INFORMATION

Eschaton and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Eschaton is affiliated with the General Partner, which is registered with the SEC under the Advisers Act pursuant to Eschaton's registration in accordance with SEC guidance. These entities operate as a single advisory business together with Eschaton and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Eschaton has adopted the Eschaton Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Eschaton principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Eschaton personnel to report their personal securities transactions, prohibits or requires pre-clearance for Eschaton personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Eschaton personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Eschaton Chief Compliance Officer. In addition, the

Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Ralph Shaoul, the Eschaton Chief Compliance Officer, at (305) 925-0420. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Eschaton and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Eschaton and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Eschaton.

Accordingly, should Eschaton or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, Eschaton generally would be prohibited from communicating such information to clients, and Eschaton will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Eschaton personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of Eschaton and its affiliates may directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. Eschaton and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Funds may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or may give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds.

BROKERAGE PRACTICES

The brokers utilized by each Fund will be selected by Eschaton. Neither the General Partner nor the Adviser need to solicit competitive bids, and neither has an obligation to seek the lowest available commission or other transaction cost. In selecting brokers, dealers and counterparties for a Fund, Eschaton generally considers various factors, which may include price, execution capabilities, reputation, infrastructure, reliability, financial resources, quality of research products or services and/or other value-added services.

Consistent with Eschaton's duty to seek to obtain best execution on behalf of each Fund, brokerage commissions on client transactions (including transactions entered into on behalf of a Fund) may be directed to brokers in recognition of research furnished by them. Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, provides a safe harbor that permits the use of commissions or "soft dollars" to obtain research and brokerage services. To the extent the

Adviser uses “soft dollars” on behalf of a Fund, it intends to enter into commission arrangements that are within the parameters of Section 28(e).

As a general matter, research services provided by such brokers may be used to service multiple advisory clients of Eschaton. However, not each and every research service may be used for the benefit of each and every such client, and brokerage commissions paid by one client may apply towards payment for research services that may not be used in the service of that client. Research services may be shared throughout Eschaton Group. There is no agreement or formula for the allocation of brokerage business on the basis of research services. Eschaton may, in its discretion, cause a Fund or account to pay brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where Eschaton has determined that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, Eschaton would not be required to place or attempt to place a specified value on the brokerage or research services provided by such broker. Eschaton periodically will determine which brokers have provided research that has been helpful in the management of client accounts. To the extent consistent with Eschaton’s goal to seek to obtain best execution for each Fund, Eschaton may seek to place a portion of the trades that it directs with the brokers that are identified through this process.

A Fund’s transactions can be expected to generate brokerage commissions (or dealer mark-ups and mark-downs) and other compensation, all of which the Fund, not Eschaton, will be obligated to pay. Eschaton has complete discretion in deciding what brokers and dealers a Fund will use and in negotiating the rates of compensation such Fund will pay. In addition to using brokers as “agents” and paying commissions, a Fund may buy or sell securities directly from or to dealers acting as principals at prices that include mark-ups or mark-downs.

Eschaton may aggregate (or bunch) the orders of a Fund with more than one Eschaton client for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. Eschaton and its affiliates may combine orders on behalf of a Fund with orders for other clients or accounts for which Eschaton or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, Eschaton and its affiliates generally intend to aggregate trade orders for publicly traded securities so that each participating Fund or account will receive the average price for each execution of a transaction.

REVIEW OF ACCOUNTS

Eschaton’s Chief Compliance Officer periodically reviews each Fund’s portfolio to confirm that each Fund is being managed in accordance with its stated objectives. A review of a Fund may be triggered by any unusual activity or special circumstances.

Each Fund generally will provide to its limited partners: (i) unaudited periodic reports, no less frequently than monthly; (ii) reports describing the Fund’s investment outlook, no less frequently than quarterly; (iii) an annual GAAP-audited financial statement; and (iv) annual tax information for limited partners’ preparation of their respective tax returns.

CLIENT REFERRALS AND OTHER COMPENSATION

From time to time, Eschaton may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by Eschaton.

CUSTODY

Eschaton maintains custody of assets held in the name of one or more Funds with the following qualified custodian: Goldman Sachs & Co. LLC.

INVESTMENT DISCRETION

Eschaton has discretionary authority to manage investments on behalf of each Fund. As a general policy, Eschaton does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Eschaton and/or its affiliates may enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Eschaton assumes this discretionary authority pursuant to the terms of the Governing Documents or investment management agreement, as applicable to each Fund, and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

Eschaton has adopted the Eschaton Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for each Fund's portfolio investments. The Proxy Policy seeks to ensure that Eschaton votes proxies (or similar instruments) in the best interest of each Fund, including where there may be material conflicts of interest in voting proxies. Eschaton generally believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Eschaton may address the conflict using alternatives set forth in the Proxy Policy. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Eschaton when voting proxies on behalf of a Fund. Clients or investors that would like a copy of Eschaton's complete Proxy Policy or information regarding how Eschaton voted proxies for particular portfolio companies may contact Ralph Shaoul, the Eschaton Chief Compliance Officer, at (305) 925-0420, and it will be provided at no charge.

FINANCIAL INFORMATION

Eschaton does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.