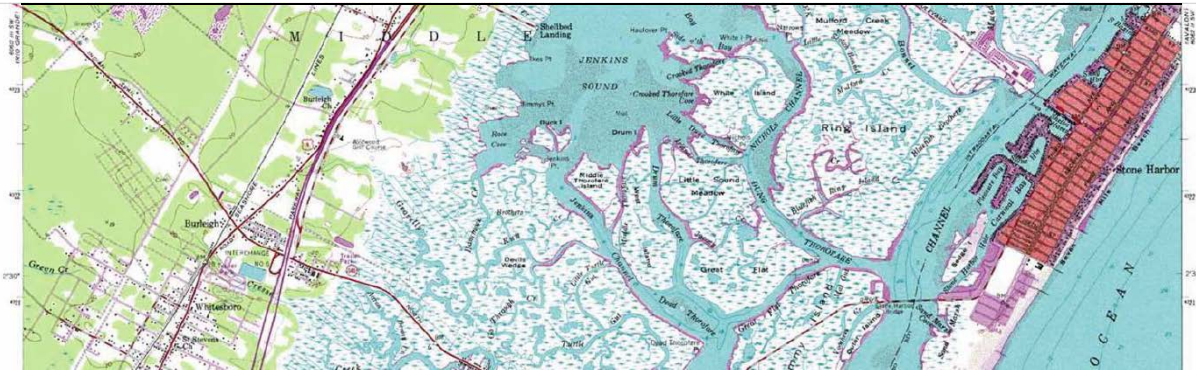

ITEM 1: COVER PAGE



SHELTER HAVEN
CAPITAL MANAGEMENT, L.P.

Shelter Haven Capital Management, L.P.

Form ADV Part 2A | Brochure | March 27, 2020

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This brochure provides information about the qualifications and business practices of Shelter Haven Capital Management, L.P. If you have any questions about the contents of this Brochure, please contact Shelter Haven Capital Management, L.P.'s Chief Compliance Officer, Keith Richardson, at 908.795.1048 or richardson@shelterhavencap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Shelter Haven also is available on the SEC's website at www.adviserinfo.sec.gov.

Any reference to Shelter Haven as a registered investment adviser does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

This is Shelter Haven's Annual Updating Amendment to Form ADV for the fiscal year ending December 2019. Since the most recent amendment filed on November 26, 2019, there have been no material changes to disclose.

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ITEM 4: ADVISORY BUSINESS

Item 4.A.

Shelter Haven Capital Management, L.P. (“**Shelter Haven**” or the “**Investment Manager**”), a Delaware limited liability company, commenced operations as an investment manager in January 2017, and is registered as an investment adviser with the United States Securities and Exchange Commission. Shelter Haven’s principal place of business is in Summit, New Jersey. The general partner of Shelter Haven is Shelter Haven GP, LLC which is owned and controlled by Gerald Kochanski, one of the principals of the Investment Manager.

Item 4.B.

Shelter Haven is an investment management firm that provides advisory services on a discretionary basis to privately offered pooled investment vehicles (singularly each a “**Fund**” and collectively referred to as noted below, the “**Funds**”) which are intended for investment by certain investors that are accredited investors under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and qualified purchasers under Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “**Company Act**”), so as to comply with the exemption under Section 3(c)(7) of the Company Act. Shelter Haven also provides investment sub-advisory services to private funds (“**Sub-Advised Funds**”).

Shelter Haven’s clients include the Sub-Advised Funds, as well as the Shelter Haven Opportunity Fund, L.P., a Delaware limited partnership (the “**Onshore Fund**”), Shelter Haven Opportunity Fund, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**”, and together with the Onshore Fund, the “**Feeder Funds**”), and Shelter Haven Opportunity Master Fund L.P., a Cayman Islands limited partnership (the “**Master Fund**”). The Sub-Advised Funds’ investment objectives and strategies are similar to those of the Funds. The Sub-Advised Funds together with the Funds are referred to throughout as the “**Advisory Clients**.”

Shelter Haven Advisors, LLC, a Delaware limited liability company (the “**General Partner**”) is the General Partner of the Onshore Fund, and an affiliate of Shelter Haven. The Investment Manager will manage the investments of the Funds in accordance with each fund’s governing and offering documents (“**Fund Documents**”). These documents will reflect any investment restrictions imposed on the Investment Manager.

For sub-advised funds, the Investment Manager will discuss the investment strategy with each Advisory Client and come to a mutual agreement with the client on any investment restrictions that the Advisory Client wishes to impose.

Shelter Haven does not limit its investment advice to only certain types of investments.

For more information on Shelter Haven’s investment objects and strategy please see **Item 8.A.**

Item 4.C.

Shelter Haven's advisory services are provided to the Funds, pursuant to the terms of the Funds' relevant offering documents and based on the specific investment objectives and strategies as disclosed in the offering documents. The advisory services received by the Funds are tailored to the needs, specified investment objectives and strategies as set forth in each Fund's offering documents. The Funds may impose restrictions on investing in certain types of securities in accordance with achieving their investment objectives and strategies. Shelter Haven may tailor advisory services to the individual needs of sub-advisory clients on a case by case basis and may allow such clients to impose restrictions on investing in certain securities.

Item 4.D.

Not applicable. Shelter Haven does not participate in a wrap fee program.

Item 4.E.

As of December 31, 2019, Shelter Haven manages approximately \$527,639,094 in regulatory assets under management on a fully discretionary basis. Shelter Haven currently does not manage any of its Advisory Clients' assets on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

Item 5.A.

The Funds

Shelter Haven will typically be entitled to receive a management fee quarterly in advance on the first day of each calendar quarter based on the net asset value of each investor's capital account in the Funds, which is typically at a rate equal to 0.375% per quarter (approximately one-and-one-half percent (1.5%) per annum) (the "**Management Fee**").

In addition to the Management Fee, at the end of each fiscal year or upon an investor's withdrawal of all or any portion of a capital account, a percentage of the aggregate net capital appreciation allocated to each capital account of each investor (the "**Incentive Allocation Percentage**") for such fiscal year (or elapsed portion thereof), in excess of the "**Hurdle Amount**" (as described below), will be allocated to the capital account of the General Partner (the "**Incentive Allocation**"), subject to any "**High Water Mark**", as discussed below. The Incentive Allocation Percentage is typically equal to fifteen percent (15%) to twenty percent (20%) depending on the class of interest held by the investor in the Fund.

The Hurdle Amount for a fiscal year with respect to a particular capital account will be the product of (i) the net asset value of such capital account as of the beginning of such fiscal year (or, if the Capital Account was established during such fiscal year, the net asset value of such capital account as of the establishment date) (adjusted for withdrawals), and (ii)

the lesser of (x) the interest rate of a 10-year U.S. Treasury Note, as determined on December 31 immediately preceding such fiscal year (or the date on which an investor withdraws from their capital account), and (y) 3%. The Hurdle Amount will not be applied cumulatively, no Hurdle Amount shortfall will be carried forward to any future fiscal year and the Hurdle Amount will be pro-rated for partial fiscal years.

In order to determine any High Water Mark which the Incentive Allocation will be subject to, a loss recovery account will be maintained for each investor's capital account. On each date that an Incentive Allocation is determined, the balance in each loss recovery account will be charged with the aggregate net capital depreciation which is allocable to such capital account since the last date on which a calculation of the Incentive Allocation was made (or in the case of the first such calculation for the capital account, since the establishment of such capital account), and will be credited, but not above zero, by the aggregate net capital appreciation allocable to such capital account since such date. The effect of the loss recovery account for purposes of calculating the Incentive Allocation is to reduce the amount of net gain for a particular period by any net loss for prior periods, and thereby to reduce the Incentive Allocation otherwise allocable during the later period, thereby creating a High Water Mark.

An investor in any of the Funds who withdraws any portion of his or her capital account prior to the one-year anniversary of the corresponding capital contribution to the Fund may be subject to withdrawal charges.

The General Partner has the right to fully or partially waive the Management Fee or Incentive Allocation with respect to one or more investor's capital account (including, but not limited to, affiliated Investors) without notice to, or the consent of, the other investors in the Fund. The General Partner may agree with an investor in the Fund to apply a different Hurdle Amount or High Water Mark with respect to such investor without notice to, or the consent of, other investors.

The Management Fee and Incentive Allocation and other terms regarding fees and compensation may vary based on the pooled investment vehicle and class of interest owned by an investor in the Funds. Additionally, the Funds may issue additional classes of interests on such terms as the General Partner determines in its discretion. Advisory Clients and investors should consult the offering documents of the Funds for a more detailed description of the Management Fee and Incentive Allocation for each class of interest in the Funds.

The Sub-Advised Funds

Management fees and expenses arrangements with respect to the Sub-Advised Funds are set forth and calculated in accordance with their respective investment advisory agreements. Please reference this paragraph relating to fees and expenses of the Sub-Advised Funds in response to **Items 5.B, 5.C, and 5.D.** below.

Item 5.B.

Shelter Haven deducts the Management Fee and reallocates the Incentive Allocation at the frequency discussed above in response to **Item 5.A.**

Item 5.C.

The Funds will bear their own expenses, including expenses directly related to transactions and positions for the Funds' accounts, interest expenses, bank service fees, brokerage commissions, custodial fees, taxes, blue sky fees, costs of borrowing securities to be sold short, fees for analytics and market data (including online news and quotation services, Bloomberg service, etc.), research and due diligence fees and expenses (including any research and/or due diligence related travel) and materials, software used for research, expenses related to the initial and ongoing offering of Interests (including fees and expenses of the Investment Manager incurred in connection with the European Alternative Investment Fund Managers Directive), administration, audit and tax preparation expenses, expenses associated with regulatory and statutory filings (including, without limitation, Schedule 13D, Form 13F, Schedule 13G, Form 13H, Annex IV filings, European Markets Infrastructure Regulation filings, Form PF, Form CPO-PQR and Form CTA-PR), investor reporting costs, insurance expenses, withholding and transfer taxes, consulting fees and expenses, outsourced risk analytics and advisory services, legal, accounting and professional fees and expenses (including related to the Partnership's compliance with FATCA, CRS (each as defined herein) or similar laws enacted in other jurisdictions), trustees' fees, fees and expenses of the Investment Manager incurred in connection with preparing and filing reports relating to the Funds' trading activities (including under investment advisory or commodity pool operator laws), expenses associated with an order management system and portfolio management systems, other similar fees and expenses related to the Funds, and any and all expenses related to the management and operation of the Funds, as the Investment Manager will determine in its discretion. The Funds will also pay, or reimburse the General Partner and/or the Investment Manager for, the Funds' organizational fees and expenses (including the costs of preparing any offering documents, the constitute agreements, and subscription agreements). The Investment Manager and the General Partner will be responsible for paying their own rent and similar overhead expenses, in addition to the compensation and benefits of their employees. The General Partner may also cause the Funds to purchase liability and other insurance for the benefit of the Funds, the General Partner, the Investment Manager and their principals, members, managers and employees (including, without limitation, directors, executives and officers of the foregoing). In addition, the Feeder Funds will bear their pro rata share of the Master Fund's expenses. To the extent any of the Funds expenses are advanced by the General Partner or the Investment Manager on behalf of the Funds, such expenses will be promptly reimbursed.

Shelter Haven may invest on behalf of client accounts in money market funds, exchange-traded funds or similar fee-bearing products or private investment funds and accounts that are managed by other investment managers. In that case, such client accounts generally would be responsible for paying the fees and expenses associated with such products, which would be in addition to the fees and expenses discussed above.

Brokerage is specifically discussed in **Item 12** below.

Item 5.D.

As discussed above in response to **Item 5.A.**, the Management Fee is payable quarterly in advance. As investors in either Feeder Funds may only withdraw all or any portion of their investment as of the last day of any calendar quarter provided the appropriate written notice is produced, Shelter Haven does not anticipate an instance in which a refund of a management fee would be necessary.

Item 5.E.

Not Applicable. Neither Shelter Haven, nor any of its supervised persons, are compensated for the sale of securities or other investment products or mutual funds. Additionally, Shelter Haven does not charge advisory fees in addition to commissions or markup fees for the purchase and sale of securities for Advisory Clients' portfolios.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Please see response to **Item 5.A.** above. Additionally, the existence of the Incentive Allocation and other performance-based fees, as discussed in response to **Item 5.A.**, may create an incentive for the Investment Manager to be more aggressive in its investments management practices than would be the case in the absence of performance-based fees.

As discussed in the relevant offering documents, Shelter Haven understands that there exist certain potential conflicts of interest associated with rendering services to the Funds and other private investment entities and accounts which have investment programs that are substantially similar or identical. The Incentive Allocation that represents a percentage of the Funds' net profits paid to the General Partner, an affiliate of the Investment Manager, may create an incentive for the Investment Manager to cause the Funds to make investments that are riskier or more speculative than would be the case if the Investment Manager were paid only a fixed fee amount.

Shelter Haven also accepts performance-based compensation from its sub-advisory client, which constitute a fee on a share of net profits (including unrealized gains and losses) allocated to such client. Performance-based compensation may vary with respect to the Funds and sub-advisory clients, which may create an incentive to favor Advisory Clients that pay higher performance-based compensation in the allocation of investment opportunities. Performance-based compensation to be received by Shelter Haven and the General Partner, as applicable, will be calculated on the basis of net profits, including unrealized gains and losses that may never materialize.

Shelter Haven has established policies and procedures designed to address potential conflicts of interest relating to the side-by-side management of the Funds with its sub-advisory client, including the allocation of investment and trading opportunities, and in circumstances where any Advisory Client pays a different management fee and/or performance fee than another. The Investment Manager reviews the portfolio holdings of

each Advisory Client to determine whether any patterns exist which indicate improper allocation, or whether there is any other indication of impropriety. In addition, the Investment Manager's procedures relating to the allocation of investment opportunities generally require that Advisory Clients participate in investment opportunities pro rata based on each Advisory Client's current assets under management (subject to the Advisory Client's investment guidelines of restrictions, stage of capital deployment, available cash or other liquidity restraints, or other tax or legal reasons). Finally, the Investment Manager's procedures also require fair and equitable treatment in light of the relevant circumstances for the allocation of limited opportunities among Advisory Clients.

ITEM 7: TYPES OF CLIENTS

Currently, Shelter Haven's clients are privately offered pooled investment vehicles, which are intended for investment by certain investors that are qualified purchasers as defined by the Company Act. The respective minimum initial and subsequent subscription amounts required by the investors the Funds are detailed within the relevant offering documents of the Funds.

Shelter Haven also provides investment advisory services to separately managed accounts in accordance with the terms set forth in the investment advisory agreement between the Investment Manager and the Sub-Advised Funds.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8.A.

There is no guarantee that the Investment Manager will accomplish its investment objectives or that the Investment Manager's investment strategy and risk management will be successful. Investing in securities involves significant risk of loss that Advisory Clients and potential Advisory Clients should be prepared to bear.

The Investment Manager will employ various investment strategies for the Advisory Clients, as described below. For each Fund, detailed information about the fund's investment strategies, methods of analysis and material risks can be found in the fund's Fund Documents. For sub-advisory clients, the Investment Manager will discuss investment strategies with such client(s), and customize an investment program based on that client's investment objectives.

Investment Strategy

The Investment Manager views investment selection and portfolio construction as two separate and distinct strategies. To best leverage the Investment Manager's experience, it will generally focus on companies in the global technology, media and telecommunications and consumer industries. The Investment Manager anticipates that the global technology industry, with a concentration in the semiconductor and hardware sectors, will represent a significant portion of capital deployed. Generally, the Investment Manager anticipates that

opportunities will drive a substantial portion of Advisory Clients' portfolios toward companies based outside of North America, with a concentration in developed Asia. The Investment Manager's investment selection process is designed to implement a deep, fundamentals-based investment approach that identifies securities where the Investment Manager believes the upside/downside relationship is typically at least 3-to-1. The strategy has no style bias but combines fundamental analysis with assessing the current sentiment and positioning around a security to establish an upside and downside target.

The Investment Manager intends to engage in short sales while seeking to limit the use of market instruments and exchange traded funds. Historically, the Investment Manager's portfolio manager has been active in single-name short selling, and the Investment Manager will strive to generate alpha and absolute dollar gains on short investment opportunities. The Investment Manager will employ the same investment selection process in identifying both long and short investment opportunities.

In constructing the Advisory Clients' portfolios, the Investment Manager will seek to limit systematic risk while targeting idiosyncratic risk comprising the vast majority of portfolio risk. The Investment Manager anticipates that Advisory Clients' portfolios will have a portion of its exposure across Taiwan, Korea, Hong Kong and Japan. The Investment Manager will also deploy a portion of the Advisory Clients portfolio exposure across greater Europe, with the remainder in North America. The Investment Manager anticipates a concentrated portfolio. The Investment Manager will generally seek to hedge against currency risk using currency futures contracts.

Items 8.B. and 8.C.

The Investment Manager's program entails substantial risks and there can be no assurance that Investment Manager's objectives will be achieved. The practices of short selling, the use of leverage and other techniques which the Investment Manager may employ from time to time on behalf can, in certain circumstances, increase the adverse impact to which the advisory client's portfolio may be subject.

Investment and Trading Risks. All investments risk the loss of capital. The Investment Manager believes that its investment program and the Investment Manager's investment techniques will moderate this risk. However, no guarantee or representation is made that the Investment Manager's investment program will be successful or that the Advisory Clients will not incur losses. The Investment Manager's investment program may utilize techniques including, but not limited to, the use of leverage and short sales, which in practice can, in certain circumstances, increase the adverse impact to which the Advisory Clients may be subject.

The Investment Manager will attempt to assess the foregoing risk factors, and others, in determining the extent of the position it will take in the relevant positions and the price it is willing to pay for such positions. However, such risks cannot be eliminated.

Sector Risk. The Investment Manager will generally focus on the equities of companies in the global consumer, industrial, technology, media and telecommunications subsectors.

Consumer cyclical companies include retail stores, auto and auto parts manufacturers, companies engaged in residential construction, lodging facilities, restaurants and entertainment companies. Risks faced by companies in the consumer cyclical industry include adverse effects from general domestic and international economic downturns, changes in interest rates, competition, consumer confidence and consumer tastes.

Industrial companies are affected by supply and demand both for their specific product or service and for industrial sector products in general. Government regulation, world events, exchange rates and economic conditions, technological developments and liabilities for environmental damage and general civil liabilities will likely affect the performance of these companies. Specifically, aerospace and defense companies, a significant component of the industrial sector, can be significantly affected by government spending policies because companies involved in this industry rely, to a significant extent, on U.S. and foreign government demand for their products and services. In addition, transportation and agriculture companies, major components of the industrial sector, are cyclical and have occasional sharp price movements which may result from changes in the economy and climate, fuel prices, labor agreements and insurance costs.

Global technology, media and telecommunications subsectors are characterized by increasing competition and regulation. Companies in these sectors may encounter distressed cash flows due to the need to commit substantial capital to meet increasing competition, particularly in formulating new products and services using new technology. Technological innovations may make the products and services of companies in these sectors obsolete. Any such events may adversely affect investments in a company in such sectors. In addition, these sectors are highly dependent upon intellectual property, a field that has encountered increasing litigation in recent years. If any of the companies in which an Advisory Client invests are alleged to infringe the intellectual property rights of a third-party, any litigation to defend the claim could be costly and would divert the time and resources of management, regardless of the merits of the claim. There can be no assurance that a company would prevail in any such litigation. If a company were to lose a litigation relating to intellectual property, the company could be forced to pay monetary damages and to cease the sale of certain products or the use of certain technology or other intellectual property.

Technology companies, in particular, are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, cyclical market patterns, evolving industry standards and frequent new product introductions.

Media and telecommunications companies, specifically, can be adversely affected by, among other things, changes in government regulation, intense competition, dependency on patent protection, and rapid obsolescence of products and services due to product compatibility or changing consumer preferences.

Telecommunications companies are also subject to partially unique risks, such as a market characterized by the need to commit substantial capital to meet increasing competition, particularly in formulating new products and services using new technology, and technological innovations that may make various products and services obsolete.

Any of the foregoing risks, as well as other risks, may adversely affect the Advisory Clients' performance.

Concentration of Investments. As described above, it is anticipated that the Advisory Client's assets will generally be concentrated in positions in companies in the global consumer, industrial, technology, media and telecommunications industry sectors. In addition, it is possible that a significant amount of the Advisory Clients' capital could be invested in the securities of only a few companies. Further, there is no limitation on the amount of Advisory Clients' capital that may be invested in any security, company, industry sector or geographic area. At times, the Advisory Client portfolios may hold a relatively large concentration in a particular security, industry sector or geographic area.

The concentration of an Advisory Clients' portfolio in a small number of securities, issuers, industries and/or geographic areas would subject the Advisory Clients to a greater degree of risk with respect to the failure of one or a few issuers or with respect to economic downturns in relation to such industries and/or geographic areas. In particular, losses incurred in investments in the consumer, industrial, technology, media and/or telecommunications industry sectors could have a material adverse effect on the Advisory Clients' overall performance and could significantly reduce Advisory Clients' capital. Accordingly, the value of Interests will be more susceptible to any single occurrence affecting one or more of those issuers, industry sectors or geographic areas than would be the case with a more diversified investment portfolio.

Special Situations. The Investment Manager may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which will be less than the purchase price 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 Investment Manager 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 Investment Manager may invest, there is a potential risk of loss by Advisory Clients of their entire investment in such companies.

Event and Risk Arbitrage. An event and risk arbitrage position is generally taken after a merger, tender offer, exchange offer or other transaction is announced, at which point the security has generally risen to a significant premium over the market price that prevailed prior to the announcement. The difference between the price paid for securities of a company involved in an announced deal and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be small. If the proposed transaction appears likely not to be consummated or, in fact, is not consummated or is delayed, the market price of the securities will usually decline sharply, usually to a level comparable to or below that which existed prior to the announcement and generally by more than the anticipated profit. Further, the Investment Manager may invest and trade in securities of companies which, although they are not the subject of an announced proposed merger or acquisition, are viewed as potential candidates for such a transaction.

Either of these scenarios (non-consummation of an announced deal or non-consummation of an anticipated unannounced deal) can cause Advisory Clients to suffer a significant loss with respect to any long positions that it has established in the relevant security. Similarly, with respect to any short positions, to the extent such positions have to be covered, the Advisory Clients could be adversely affected. Various events may occur which may result in a transaction not being consummated which could adversely affect a position. Some of the reasons why a transaction may be terminated include:

Successful Takeover Defense. The target, acting through its management and/or stockholders, by legal (including litigation) or other means, may successfully defend itself from an unwanted suitor and remain independent even though the offer price represents a premium to where the target's stock subsequently trades. Additionally, in the case of a merger, the stockholders of the target may not approve the merger.

Alternatives Pursued by Target. The target may pursue other "defensive" strategies, including a merger with, or a friendly tender offer by, a company other than the would-be acquiror.

Decline in Financial Performance. A decline in the financial performance of the target or the acquiror could affect the willingness or ability of the parties to complete a transaction and result in its termination.

Financing Difficulties. Inability of the acquiror to obtain adequate financing to consummate a transaction may delay or prevent consummation of the transaction.

Rise in Interest Rates. An increase in interest rates during a period when a transaction is pending may increase the financial costs of the acquisition and/or may reduce the earnings of the target or the acquiror, either of which, in turn, may affect the viability of a transaction.

Market Crash. A market crash or a significant stock market decline may cause the acquiror to reexamine the acquisition and terminate the transaction.

Regulatory Restrictions. The consummation of a transaction may be subject to regulatory oversight by a variety of entities, including but not limited to, agencies (both domestic and foreign) such as or similar to the SEC, the Federal Trade Commission, the Department of Justice and other regulatory and executive agencies and departments. Action or inaction by these entities could have a materially adverse effect on the consummation and timing of a transaction.

Federal and State Securities Laws. Compliance with federal and state securities laws may delay or prevent consummation of a contemplated transaction.

Market Risk. A common result of the consummation of a risk arbitrage transaction is the receipt of other securities in mergers or exchange offers, as opposed to cash. The holding of a position in the form of securities, as opposed to cash, could, if not properly hedged, result in a decline of the value of the position, depending upon the market's general performance and other factors.

Liquidity Risk. After the establishment of an arbitrage position, in the event the transaction cannot be consummated or encounters difficulties, market liquidity for such positions may diminish. In such event, it may be difficult to trade out of or liquidate such positions.

Additionally, the Investment Manager may take tax considerations into account in structuring and disposing of securities positions, and may assume certain market risk and incur certain expenses in this regard in order to achieve favorable tax treatment of a transaction.

Herding Risk. The substantial growth of the hedge fund industry and funds trading highly-leveraged positions of the same nature as those held by hedge funds has augmented herding risks. While the Investment Manager typically may not invest in companies that are broadly followed by other funds, such funds may later discover opportunities in the same companies in which the Master Fund has already invested. Whatever the “fair price” of a security or a relationship, its trading price is sometimes radically altered or influenced by the market activity of traders executing parallel trading programs. This factor may provide surprising and sudden losses at unpredictable times, even after long periods of calm. The negative impact of herding is greatest when markets are under stress and traders holding large leveraged positions seek to liquidate or cover positions simultaneously.

Risk of Default or Bankruptcy of Third Parties. The Master Fund intends to engage in transactions in securities and financial instruments that involve counterparties. Under certain conditions, the Master Fund could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, the Master Fund could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Master Fund does business, or to which securities have been entrusted for custodial purposes. For example, if one of the Master Fund’s prime brokers or custodians were to become insolvent or file for bankruptcy, the Master Fund could suffer significant losses with respect to any securities held by such firm.

Equity Securities. The Investment Manager may from time to time trade in both listed securities that are traded on a securities exchange and unlisted securities that are traded over-the-counter. The volume of trading in unlisted securities is generally less than that found on securities exchanges. Therefore, it may be more difficult to buy and sell these securities, which increases the volatility of their share prices. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of issuers, the market in which such companies compete as well as market conditions and general economic environments.

Short Sales. A short sale involves the sale of a security that is not owned in the expectation 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 security must be borrowed which creates an obligation to return the security to the lender, which is accomplished by a later purchase of the security. If the Investment Manager makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been

sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss. The extent to which the Investment Manager will engage in short sales will depend upon its investment strategy and the Investment Manager's perception of market direction and the value of individual securities. The Investment Manager may engage in short sales on behalf of Advisory Client as a hedge against potential market declines and/or based on its fundamental analysis of the subject issuers.

Small- to Medium-Capitalization Companies. The Investment Manager may invest a material portion of Advisory Client assets in the stocks of companies with small- to medium-sized market capitalizations. While the Investment Manager believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some of such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks. Such companies may also not be covered or followed by as many financial analysts as companies with larger market capitalizations, and therefore, there may be less information available to the Investment Manager with respect to the finances, operations and prospects of such small- to mid-cap companies. The lack of such information could lead to riskier investments by the Investment Manager.

Convertible Securities. The market value of convertible securities, as with all fixed income securities, tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. If a convertible security held by an Advisory Client is called for redemption, the Investment Manager will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on the Investment Manager's ability to achieve its objectives.

Exchange Traded Funds ("ETFs"). The Investment Manager may trade in ETFs for purposes of hedging its portfolio. ETFs are generally structured to invest in all or a representative sample of the securities that generally replicate the price and yield performance of an underlying market index or sector such as a broad stock market, industry sector, domestic or international equity or fixed income, or U.S. or foreign government bond. ETF shares are traded on stock exchanges and markets at open market prices that generally track the net asset value per share of the ETF. Direct issuances and redemption of ETF shares at the ETF's net asset value per share only occur in large blocks (or creation units) transacted between the ETF and authorized institutional purchasers on an in-kind basis. An exchange traded sector fund may be adversely affected by the performance of that specific sector or group of industries on which it is based. International investments may involve risk of capital loss from unfavorable fluctuations in currency

values, differences in GAAP, or economic, political instability in other nations and/or other factors. Although index-based ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, ETFs may not be able to replicate exactly the performance of the indices because of their expenses and other factors. ETF shares may trade at either a discount or premium to their underlying net asset value. The purchase or sale of ETF shares on the secondary market involves the payment of brokerage commissions, and the purchase and redemption of creation units involves other transaction costs and brokerage commissions. Investors in ETFs also directly bear the ETF's costs associated with its payment of investment management fees and fees for administrative, custodial or other services and thus the Advisory Clients will indirectly incur an additional layer of fees and expenses.

Hedging Transactions. The Investment Manager may utilize financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Advisory Client's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Advisory Client's unrealized gains in the value of its investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Advisory Client's portfolio; (v) hedge the interest rate or currency exchange rate on any liabilities or assets; (vi) protect against any increase in the price of any securities the Investment Manager anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate.

The success of the Investment Manager's hedging strategy will depend, in part, upon the Investment Manager's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Investment Manager's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Investment Manager may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for Advisory Clients than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Investment Manager from achieving the intended hedge or expose Advisory Clients to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of Advisory Client's portfolio holdings.

Foreign Investments; Securities of Non-U.S. Companies. The Investment Manager may trade in non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the United States. Such transactions require consideration of certain risks not typically associated with investing in United States securities or property. Such risks include currency exchange risks (including blockage, devaluation and non-

exchangeability), as well as a range of other potential risks which could include expropriation, imposition of exchange control regulation by the United States or foreign governments, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. The Investment Manager might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Advisory Client's performance.

Emerging and Developing Markets. The Investment Manager may invest a portion of Advisory Client assets in financial instruments of issuers domiciled or operating in emerging and developing markets. Investing in these markets may involve heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, but are not limited to: (i) increased dependence on exports and the corresponding importance of international trade; (ii) increased volatility in currency exchange rates; (iii) increased risk of inflation; (iv) greater risk of nationalization or expropriation of assets or confiscatory taxation; (v) increased likelihood of governmental involvement in and control over the economies; (vi) greater social, economic and political uncertainty, including war; (vii) less extensive regulation of the securities markets; (viii) decreased support of economic reform programs or the imposition of centrally planned economies; (ix) increased volatility, less liquidity and smaller capitalization of securities markets; (x) less established tax laws and procedures and less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xi) different auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xii) greater controls on foreign investments and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. Dollars; (xiii) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; and (xiv) certain considerations regarding the maintenance of the securities and cash with non-U.S. brokers and securities depositories.

Currency Exchange Exposure. The Investment Manager may invest in securities denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. Dollar. The Investment Manager, however, values its securities in U.S. Dollars. Currency exchange rates are subject to sudden fluctuations of varying magnitude, and they are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; as well as changes in interest rates. The volatility of currency prices may render it difficult or impossible to predict or anticipate fluctuations in the value of currencies. The Investment Manager may or may not seek to hedge 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 securities suitable for hedging currency or market shifts will be available at the time when the Investment Manager wishes to use them, or that hedging techniques employed by the Investment Manager will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all.

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

Derivatives Generally. Derivative instruments, or “derivatives,” include options, futures, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, financial assets, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, financial asset, currency or index at a fraction of the cost of investing in the underlying asset. There is no assurance that derivatives that the Investment Manager may trade, directly or indirectly, will be available at any particular times upon satisfactory terms or at all.

The value of a derivative is frequently difficult to determine and depends largely upon price movements of the underlying asset. Therefore, many of the risks applicable to trading an underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are “leveraged,” and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement in the underlying asset can not only result in the loss of the entire investment, but may also expose Advisory Clients to the possibility of a loss exceeding the original amount it invested. Over-the-counter derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for derivatives is relatively illiquid. In the case of over-the-counter derivatives contracts, the Advisory Client will be subject to the credit risk of the counterparty.

The Investment Manager may take advantage, directly or indirectly, of opportunities with respect to certain other derivative 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 Advisory Clients and legally permissible. Special risks may apply to instruments that are traded in the future that cannot be determined at this time or until such instruments are developed or traded by the Investment Manager.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) enables the Commodity Futures Trading Commission (“**CFTC**”) and the SEC to enact new

regulations on certain over-the-counter derivatives. Under the Dodd-Frank Act, certain over-the-counter derivatives contracts will be required to be traded on regulated trading platforms and cleared through registered clearing organizations subject to regulation by the SEC and the CFTC. Once this occurs, such contracts will be traded more like futures and options contracts, and parties to such transactions will trade standardized contracts and will face clearing organizations as contractual counterparties, rather than facing the credit risk of counterparties under individually negotiated bilateral over-the-counter agreements.

In addition, swap dealers and major swap participants (entities that are not swap dealers, but are subject to rules governing dealers due to their levels of activity) are subject to regulatory oversight and requirements with respect to over-the-counter derivatives, which will include business conduct requirements, such as know-your-customer rules, increased risk disclosure and rules requiring trades to be documented and confirmed within certain timeframes. Derivative contracts, whether cleared or uncleared, will have to be reported to the CFTC and/or the SEC.

While the CFTC has finalized the majority of its required rulemakings under the Dodd-Frank Act, there are still a number of rules that have not been finalized by the SEC.

As a result, the effect that the foregoing regulatory changes will have on the price of derivative contracts, liquidity and administrative costs, among other things, still remains unclear. In addition, President Trump has issued an executive order requiring certain federal agencies to review existing financial laws and regulations to identify any laws or regulations that inhibit federal regulation of the United States financial system in a manner consistent with certain core principles of financial regulation as espoused by President Trump's order. This executive order is widely viewed as encompassing a review of the Dodd-Frank Act and the rules and regulations promulgated thereunder, which may lead to repeal and/or revision, in whole or in part, of such laws and regulations. Depending upon such changes, there may be significant differences in the future with respect to the risks associated with derivatives trading. The impact of any such changes is currently unknown. The Investment Manager does not undertake to update Advisory clients of Investors in the Fund upon such changes or upon finalization of any CFTC or SEC regulations promulgated under the Dodd-Frank Act.

Futures Trading. The Investment Manager may trade futures on behalf of Advisory Clients. Futures trading is very speculative, largely due to the traditional volatility of futures prices. Futures prices are affected by and may respond rapidly to a variety of factors, including (but not limited to) market and news reports, interest rates, national and international political or economic events, and domestic or foreign trade, monetary or fiscal policies or programs. Such rapid response might include an opening price on an affected futures contract sharply higher or lower than the previous day's close. In such an instance, the Investment Manager might be unable to adjust its positions in time to avoid a loss.

Moreover, commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular commodity has increased or

decreased by an amount equal to the daily limit, positions in the commodity can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Investment Manager from promptly liquidating unfavorable positions and subject Advisory Client to substantial losses. In addition, the Dodd-Frank Act significantly expands the CFTC's authority to impose broader aggregate position limits.

Forward Trading. The Investment Manager may engage in forward trading on behalf of the Advisory Clients. Deliverable forward contracts (including certain foreign exchange contracts) and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Such forward trading is largely unregulated and currently daily price movements are not limited and speculative position limits are not applicable. The principals who deal in such forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration, which could result in substantial losses to the Advisory Clients.

Index or Index Options. The value of an index or index option fluctuates with changes in the market values of the securities included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular security, whether Advisory Client will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the security market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular securities.

Index Futures. The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, shareholders may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts is also subject to the Investment Manager's ability to correctly predict movements in the direction of the market.

Swaps. The Investment Manager may periodically enter into transactions in the forward or other markets which could be characterized as swap transactions. A swap transaction is an individually negotiated, non-standardized agreement between two parties to exchange cash flows measured by different interest rates, exchange rates or prices, with payments calculated by reference to a principal ("**notional**") amount or quantity. Transactions in these markets present certain risks similar to those in the futures, forward, and options markets: (i) the swaps markets are generally not regulated by any United States or foreign governmental authorities; (ii) there are generally no limitations on daily price moves in swap transactions; (iii) speculative position limits are not applicable to swap transactions,

although the counterparties with which the Investment Manager may deal may limit the size or duration of positions available as a consequence of credit considerations; (iv) participants in the swaps markets are not required to make continuous markets in swaps contracts; and (v) the swap markets are “principals’ markets,” in which performance with respect to a swap contract is the responsibility only of the counterparty with which the trader has entered into a contract (or its guarantor, if any), and not of any exchange or clearinghouse. As a result, Advisory Clients will be subject to the risk of the inability of or refusal to perform with respect to such contracts on the part of any swap counterparties with which it trades.

Credit Default Swaps. The Investment Manager may purchase and sell credit derivatives contracts – primarily credit default swaps – both for hedging and other purposes. The typical credit default contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of securities issued by the reference entity that the buyer delivers to the seller. In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. In addition, the parties may be required to post collateral to secure their obligations, which can reduce the amount of collateral or funds available for other purposes.

The Investment Manager may also purchase and sell credit default swaps on a basket of reference entities as part of a synthetic collateralized debt obligation transaction.

As a buyer of credit default swaps, Advisory Clients are subject to certain risks. In circumstances in which the debt securities are not owned that are deliverable under a credit default swap, the Advisory Client is exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices, as would be the case in a so-called “short squeeze.” In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for credit default swaps whether or not a “credit event” triggering the seller’s payment obligation had occurred. In either of these cases, an Advisory Client would not be able to realize the full value of the credit default swap upon a default by the reference entity.

As a seller of credit default swaps, an Advisory Client will incur leveraged exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, the Advisory Client will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity’s debt obligations. In addition, the credit default swap buyer will have broad discretion to select which of the reference entity’s debt obligations to deliver to the Advisory Client following a credit event and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of the Advisory Client.

Foreign Exchange Contracts. Pursuant to rules promulgated under the Dodd-Frank Act, many foreign exchange contracts will be deemed “swaps” under the U.S. Commodity Exchange Act, as amended, and therefore will be subject to comprehensive regulation by the CFTC. CFTC rules will govern certain terms of such contracts, such as minimum margin requirements, among others, and dealers of such products will be subject to business

conduct and reporting obligations. Foreign currency options (unless traded on a securities exchange), non-deliverable foreign exchange forwards, currency swaps and cross-currency swaps will be included in such regulation. The U.S. Treasury Department (the “**Treasury**”) has exercised its authority to exempt foreign exchange forwards and swaps from most CFTC regulation, although such transactions remain subject to certain CFTC reporting and business conduct requirements. As a result, foreign exchange forwards and swaps are not guaranteed by an exchange or clearing house and consequently, there are no requirements with respect to financial responsibility or segregation of customer funds or positions, which could expose Advisory Clients to unanticipated losses.

Interest Rate Risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Investment Manager may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Investment Manager will be successful in fully mitigating the impact of interest rate changes.

Purchase of Distressed Securities, Etc. The Investment Manager may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy, reorganization or other liquidation proceedings. Although such investments may produce significant returns, they involve a high degree of risk over a potentially lengthy period of time, and may provide less liquidity than many other investments. Investment in these types of securities requires sophisticated analysis and there can be no assurance that the Investment Manager will accurately predict various factors that could affect the prospects of a successful restructuring. Many of these investments ordinarily remain stagnant until the applicable company reorganizes and/or emerges from bankruptcy proceedings, and, as a result, may have to be held for an extended period of time.

The Dodd-Frank Act established the Orderly Liquidation Authority (the “**OLA**”), an insolvency regime for large, interconnected financial companies, including broker-dealers, whose failure poses a significant risk to the financial stability of the United States. The Investment Manager may invest in such large, interconnected financial companies and therefore may face losses if such financial companies are put into receivership and then liquidated upon a determination by the U.S. Federal Deposit Insurance Corporation and the board of governors of the U.S. Federal Reserve. If a financial company becomes liquidated by the OLA, the Advisory Clients’ investments in such a financial company could be adversely affected. Unlike in bankruptcy proceedings, creditors, shareholders and contract counterparties will not have any input into, or advanced notice about, the liquidation or reorganization of the applicable financial company. Many of the procedural rules for the OLA have not yet been written, and it is unclear how financial companies that become subject to liquidation proceedings would be affected.

Put Options. The Investment Manager may trade, directly or indirectly, in put options on individual securities. There are risks associated with the sale and purchase of put options.

The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Call Options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (*e.g.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing his entire investment in the call option.

Fixed Income Securities. The Investment Manager may trade, directly or indirectly, in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations, or debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities 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).

The Investment Manager may trade, directly or indirectly, in fixed income securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Purchasing Securities of Initial Public Offerings. The Investment Manager may purchase securities of companies during their initial public offerings or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the companies and limited operating histories. These factors may contribute to substantial price volatility for the

shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for the Investment Manager to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. In addition, some companies engaged in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

Leverage and Borrowing Risks. The Investment Manager will have the power to borrow funds in Advisory Client accounts and may do so when deemed appropriate by the Investment Manager, including to enhance Advisory Clients' returns and satisfy withdrawal requests by Investors in the Funds that would otherwise result in the premature liquidation of investments. The Investment Manager may borrow funds from brokers, banks and other lenders to finance its investment operations, which borrowings may be secured by assets of Advisory Clients. The use of such leverage can, in certain circumstances, maximize the losses to which the Advisory Clients' investment portfolio may be subject. Any event that adversely affects the value of an investment would be magnified to the extent that asset or Advisory Client accounts are leveraged. The cumulative effect of the use of leverage in a market that moves adversely to an Advisory Client's investments could result in a substantial losses, which would be greater than if they were not leveraged. Leverage may be achieved through, among other methods, direct borrowing, purchases of securities on margin and the use of options, futures, forward contracts, repurchase and reverse repurchase agreements and swaps. The access to capital could be impaired by many factors, including market forces or regulatory changes. The Investment Manager will generally have unrestricted borrowing powers.

The use of margin and short-term borrowings creates several risks. If the value of an accounts securities falls below the margin level required by a prime broker, additional margin deposits would be required. If unable to satisfy any margin call by a prime broker, then the prime broker could liquidate the Advisory Clients' positions in some or all of the financial instruments that are in the Advisory Clients' accounts at the prime broker and cause the Advisory Client to incur significant losses. Furthermore, secured counterparties and lenders may have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of collateral posted by an Advisory Client. This could increase exposure to the risk of a counterparty default since, under such circumstances, the Investment Manager may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral. The occurrence of defaults may trigger cross-defaults with other brokers, lenders, clearing firms or other counterparties, creating or increasing a material adverse effect on the performance of an Advisory Client's portfolio.

The purchase of options, futures, forward contracts and equity swaps generally involves little or no margin deposit and, therefore, will provide substantial leverage. Accordingly, relatively small price movements in these financial instruments may result in immediate and substantial losses to Advisory Clients.

ITEM 9: DISCIPLINARY INFORMATION

There are no material legal or disciplinary events related to the Investment Manager.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A.

Not Applicable.

Item 10.B.

Not Applicable.

Item 10.C.

Shelter Haven is an affiliate of Shelter Haven Advisors LLC, the general partner of the Onshore Feeder. Shelter Haven and its management personnel and employees might have conflicts of interest in (i) allocating their time and activity between and among, (ii) allocating investments among, and (iii) effecting transactions for, the Funds and any other clients, including in such instances where Shelter Haven or its management personnel, employees or affiliates may have a greater financial interest. As described above in **Item 6**, Shelter Haven has established procedures so that clients are treated fairly and equally in light of the relevant circumstances for the allocation of limited opportunities among Advisory Clients.

As described above in **Items 5** and **6**, Shelter Haven receives asset-based and performance-based compensation from clients. The amounts payable to Shelter Haven by the Funds will be based directly on the net asset value of the Funds. To the extent that valuation of a Fund's assets will be determined based upon information provided by Shelter Haven, because there is, for example, no public market price available, there may be a conflict of interest. Shelter Haven would value such assets in accordance with the Fund's valuation policies and procedures.

Item 10.D.

Not Applicable. Shelter Haven does not recommend or select other investment advisers for its Advisory Clients.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11.A.

Shelter Haven has adopted a Code of Ethics (the “**Code**”) under Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) designed to provide that Shelter Haven’s employees comply with applicable federal securities laws. The Code addresses, among other things, Shelter Haven’s standard of business conduct, requirements and restrictions relating to personal securities trading, and policies regarding political contributions, gifts and entertainment, and confidentiality. Shelter Haven employees must acknowledge, both initially upon employment and annually thereafter, in writing having received and read a copy of the Code. The Code requires all employees to report personal securities holdings (initially and annually) and report quarterly personal trading activity. The Code restricts employees from transacting in the same investments as Shelter Haven’s Advisory Clients. The Code is monitored by Shelter Haven’s Chief Compliance Officer and any exceptions to the Code require prior approval by Shelter Haven’s Chief Compliance Officer.

A copy of the Investment Manager’s Code of Ethics is available to Advisory Clients or investors and prospective Advisory Clients or investors upon their individual request.

Items 11.B., 11.C., and 11.D.

Shelter Haven, as a fiduciary, endeavors to always make decisions in the best interest of its Advisory Clients if a conflict of interest arises between the Investment Manager’s securities transactions on behalf of its Advisory Clients and those of the Investment Manager’s employees and related persons. In order to monitor conflicts of interest, Shelter Haven employees are required to pre-clear any contemplated transaction for a personal account and must disclose on an initial and annual basis the holdings of all personal accounts, as well as all transactions on a quarterly basis.

Subject to applicable law and the terms of any applicable client investment management agreement, Shelter Haven may effect transactions between client accounts (generally for rebalancing purposes and to correct misallocations of trades), whereby one client account will purchase securities from or sell securities to another client account.

ITEM 12: BROKERAGE PRACTICES

Item 12.A.1.

Shelter Haven retains full discretion to determine the broker or dealer to be used for each securities transaction for Advisory Client accounts. The Investment Manager seeks to obtain best execution for its Advisory Clients by placing orders for the purchase and sale of securities with brokers and dealers, taking into account the full range and quality of a

broker-dealer's services, including execution capability, commission rates, the value of any research, and financial responsibility and responsiveness, among other things.

From time to time, Shelter Haven may pay a broker-dealer commissions (or markups or markdowns) for effecting transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. The use of these commissions to generate "**Soft Dollars**", if any, which are used by the Investment Manager to pay for brokerage and research-related products or services will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), brokerage and research related products or services obtained with Soft Dollars generated by one Advisory Client may be used by Shelter Haven to provide services to other Advisory Clients. Soft Dollars generated in respect of futures, currency and derivatives transactions and principal transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) and will be utilized only with respect to brokerage- and research-related products and services for the benefit of the account generating such soft dollars.

Brokerage and research-related goods and services provided by brokers and dealers through which portfolio transactions for Advisory Clients are executed, settled and cleared may include, but are not limited to, research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, and other goods and services lawfully and appropriately provided in assisting the Investment Manager in its investment decision-making responsibilities on behalf of Advisory clients (collectively "**Soft Dollar Items**"). Soft Dollar Items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers, or purchased on behalf of Advisory Client with credits or rebates provided by brokers and dealers. Soft Dollar Items may arise from over-the-counter principal transactions, as well as exchange-traded agency transactions.

When Shelter Haven uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Shelter Haven may receive a benefit because it does not have to produce or pay for such products or services (unless the cost of such products or services is to be otherwise paid for by the Funds). Therefore, Shelter Haven may have an incentive to select or recommend a broker or dealer based on its interest in receiving research or other Soft Dollar Items, rather than for the interest in receiving most favorable execution of its Advisory Clients.

Shelter Haven considers the amount and nature of research and research services, if any, provided by brokers and dealers, as well as the extent to which such services are relied upon, and may allocate a portion of the brokerage business of Advisory Client on the basis of that consideration. Brokers and dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker or dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will Shelter Haven make binding commitments as to the level of brokerage commissions it will allocate to a broker or dealer, nor will it commit to pay cash if any informal targets are not met. A

broker or dealer will not be excluded from executing transactions for the Fund because it has not been identified as providing Soft Dollar Items.

Shelter Haven has limited its use of soft dollar commissions within the last fiscal year to receipt of research.

Item 12.A.2.

Shelter Haven does not participate in selecting or recommending broker-dealers in exchange for client referrals.

Item 12.A.3.

Not Applicable. Shelter Haven does not engage in directed brokerage by its Advisory Clients.

Item 12.B.

Shelter Haven recognizes its duty to treat all Advisory Clients fairly and equitably. If the Investment Manager determines to buy or sell the same security on behalf of more than one Advisory Client account, it may, but shall be under no obligation to, aggregate (to the extent permitted by applicable law and regulations) the securities to be purchased or sold in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, the Investment Manager will place an aggregate order with the broker on behalf of all such accounts and confirm that accounts are treated fairly. Trading shall be reviewed periodically to confirm that no Advisory Client accounts are systematically disadvantaged.

Advisory Clients may pay more to the extent that Shelter Haven does not aggregate trades, as seeking to place separate, non-simultaneous transactions in the same security for multiple Advisory Clients may negatively affect market price, transaction commissions and/or trade execution. An Advisory Client's nonparticipation in bunched trades may result in lost opportunities to purchase securities for such Advisory Client's account that other Advisory Clients participating in bunched trades were able to purchase.

ITEM 13: REVIEW OF ACCOUNTS

Items 13.A. and 13.B.

Advisory Client holdings are reviewed on a regular basis to determine their conformity with their risk parameters, investment objectives, and guidelines. Shelter Haven regularly monitors the portfolio investments of Advisory Clients. Gerald Kochanski, Managing Partner and Portfolio Manager continuously monitors and reviews positions held by Shelter Haven's Advisory Clients. Shelter Haven's investment personnel convene periodically to evaluate each position's conformance with the relevant Fund's offering memorandum and/or any investment limitations, restrictions or risk parameters.

Item 13.C.

Investors in the Funds will each receive written unaudited reports of the performance of the Fund in which they are an investor on a monthly basis, and written audited year-end financial statements (prepared using GAAP) on an annual basis within 120 days after the fiscal year end of such Fund.

Sub-advisory clients will receive regular reporting regarding accounts managed by Shelter Haven in accordance with such client's investment advisory agreement with Shelter Haven.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A.

As noted in the response to **Item 12**, Shelter Haven may receive certain research and brokerage products or services from broker-dealers through Soft Dollar arrangements. As such, Advisory Clients may benefit from research services acquired by the Investment Manager as a result of the brokerage transactions applicable to other Advisory Clients. Please see **Item 12** for further information on the Investment Manager's Soft Dollar practices, including the Investment Manager's procedures for addressing conflicts of interest that arise from such practices.

Shelter Haven does not receive any direct economic benefit from any third parties related to the selection or recommendation of broker-dealers for Advisory Clients which Shelter Haven provides investment advice or other advisory services to.

Item 14.B.

Shelter Haven may make cash payments to third-party solicitors for client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with the Investment Manager pursuant to which the solicitor will provide each prospective Advisory Client with a copy of the Investment Manager's Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and the Investment Manager and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations.

ITEM 15: CUSTODY

Due to the fact that Shelter Haven acts as investment adviser to the Funds and has an affiliated party that acts as the general partner of the Onshore Fund, Shelter Haven may be deemed to have custody of certain Advisory Client assets under current applicable regulatory interpretations. As such, and as is required by the safekeeping requirement in Rule 206(4)-2 of the Advisers Act, as amended (the "**Custody Rule**"), all assets in the accounts of the Funds are held by a qualified custodian. On an annual basis, the Funds'

administrator delivers audited Fund financial statements to the investors in the respective Fund within 120 days of fiscal year-end.

Shelter Haven generally does not maintain custody over the assets of any of its sub-advisory clients. To the extent Shelter Haven may be deemed to have custody of sub-advisory client assets under the Custody Rule, Shelter Haven will comply with the safekeeping requirement the Custody Rule.

The qualified custodian or Fund administrator will send monthly account statements to Advisory Clients (including each investor in the Funds). Recipients should review these statements carefully. Advisory Clients will also receive account statements at least quarterly from the Investment Manager. Recipients are urged to compare the account statements they receive from the qualified custodian or Fund administrator with those they receive from the Investment Manager.

ITEM 16: INVESTMENT DISCRETION

Shelter Haven accepts discretionary authority to manage securities accounts on behalf of its Advisory Clients and therefore determine which securities and the amounts of securities it buys and sells for its Advisory Clients. This authority has been granted to Shelter Haven by means of the execution of an investment management agreement with each Advisory Client that sets forth the scope of the Investment Manager's discretion with respect to the client. Any limitations on the Investment Manager's discretionary authority will be included in each Advisory Client's investment management agreements, and in the case of the Funds, will also be included in each fund's Fund Documents.

ITEM 17: VOTING CLIENT SECURITIES

Item 17.A.

Shelter Haven generally has proxy voting authority with respect to securities held by the Funds and other Advisory Client account due to the fact that it has discretionary authority over the securities held by its Advisory Clients. Accordingly, Shelter Haven has adopted proxy voting policies and procedures to vote proxy proposals, amendments, consents or resolutions (collectively, "proxies") relating to Advisory Client investments. Advisory Clients generally cannot direct the Investment Manager's vote.

Shelter Haven understands its fiduciary responsibility to monitor corporate events and to vote proxies and cast votes in the best economic interests of its Advisory Clients and investors in the Funds, as applicable, and not to put these interests second to its own economic interests.

Conflicts may arise between the interests of Advisory Clients (including investors in the Funds) versus the interests of the Investment Manager and its affiliates. In such cases, the Investment Manager will address each such conflict, and endeavor to resolve it in a fair and equitable basis.

Advisory Clients may request a copy of the proxy voting policies and procedures and the proxy voting records by contacting the Investment Manager at the address, email or telephone number listed on the cover page of this Brochure.

Item 17.B.

Not Applicable; see response to **Item 17.A.** Shelter Haven has authority to vote Advisory Client securities.

ITEM 18: FINANCIAL INFORMATION

Item 18.A.

Not Applicable. Shelter Haven does not require nor solicit pre-payment of more than \$1,200 in fees from Advisory Clients six months or more in advance.

Item 18.B.

Shelter Haven is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to its Advisory Clients.

Item 18.C.

Not Applicable. Shelter Haven has not been the subject of a bankruptcy petition at any time during the past ten years.