



FIRM BROCHURE AND BROCHURE SUPPLEMENT

DRAKE CAPITAL ADVISORS LLC

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This brochure provides information about the qualifications and business practices of Drake Capital Advisors LLC, an investment advisor registered with the United States Securities and Exchange Commission (SEC). If you have any questions about the contents of this brochure, please contact Ray Gustin by telephone at 203.861.7500 or by electronic mail at rgustin@drakeadvisors.com. The information in this brochure has not been approved or verified by the SEC or any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Drake Capital Advisors LLC is available on the website maintained by the SEC at www.adviserinfo.sec.gov.

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Advisory Business

General Description of Advisory Firm

Drake Capital Advisors LLC (Drake Capital) was organized as a limited liability company under the laws of the State of Delaware in 2001 and has offices in Greenwich, Connecticut. Drake Capital is wholly owned by David B. MacFarlane, the managing member; Ray Gustin IV; and Catherine Lai.

Description of Advisory Services

Drake Capital provides discretionary investment portfolio management services for client accounts, including collective investment vehicles of which Drake Capital is the general partner. Drake Capital provides discretionary portfolio management services to Drake Capital Partners, L.P., Drake Capital Offshore Partners, L.P., Drake Capital Partners II, L.P., and Drake Capital Offshore Partners II, L.P., which are private investment funds offered to institutional investors and high net worth, financially sophisticated individual investors. Each of these investment funds is called a Fund, and together they are called the Funds. Drake Capital Offshore Partners, L.P., is a feeder fund that invests substantially all its assets in Drake Capital Partners, L.P., a master fund, and Drake Capital Offshore Partners II, L.P., is a feeder fund that invests substantially all its assets in Drake Capital Partners II, L.P., a master fund. Drake Capital Partners, L.P., and Drake Capital Partners II, L.P., are sometimes referred to as the Master Funds or Funds in this brochure. Drake Capital also provides portfolio management services to separately managed accounts, which are called the Accounts.

In general, the assets of each Master Fund and the Accounts are invested in portfolio funds and separate accounts managed by investment managers selected by, but not affiliated with, Drake Capital. Each of these investment managers is called an Investment Manager in this brochure.

Drake Capital generally manages the assets of its clients on a fully discretionary basis. Drake Capital does not call any of the services that it provides financial planning or some similar term.

Availability of Tailored Services for Individual Clients

Drake Capital manages the Funds in an effort to meet the broad investment objectives of Fund clients. As well, Drake Capital tailors its investment advice to meet the particular needs, investment objectives and investment guidelines of each of its Account clients. Drake Capital will work with an Account client to evaluate its investment objectives so that customized investment advice may be rendered.

Client Assets Under Management

As of December 31, 2019, Drake Capital managed approximately \$844,199,000 of regulatory assets, all on a discretionary basis.

Fees and Compensation

Drake Capital receives, for its investment management services, an Administrative Allocation. The Administrative Allocation is based on the value of the assets under management attributable to each limited partner in one of the Funds in accordance with the following schedule:

Investment Class	Administrative Allocation as a Percentage of Assets
Series A	0.95% per annum
Series B	0.85% per annum

The Administrative Allocation is allocated at the end of the quarter, based on the net assets of the investor as of the first business day of the quarter. The Administrative Allocation attributable to any limited partner in a Fund who is invested for less than a full quarter or who changes the amount of his investment is adjusted based on the number of days that the limited partner is invested and the varying amount of his investment. If a new account is established during a quarter or a client makes an addition to his account during a quarter, the Administrative Allocation will be prorated for the number of days remaining in the quarter.

In addition to the Administrative Allocation, Drake Capital receives annual performance compensation, called the Incentive Allocation. The Incentive Allocation is equal to 5% of the investor's profits, if any, after deducting the Administrative Allocation, and is subject to a 5% non-cumulative hurdle rate for the calendar year, prorated for a partial-year investment.

In its sole discretion, Drake Capital may waive or reduce the Administrative Allocation or the Incentive Allocation, or both, for limited partners who are employees or affiliates of Drake Capital, the relatives of these persons and some strategic investors. The compensation payable to Drake Capital by the Funds is not otherwise negotiable.

The fees payable by a client with respect to an Account are similar to the fees payable by Fund investors but may vary based on the size of the Account. Account clients often request special account structures or have atypical objectives.

By investing in portfolio funds indirectly through the Funds or an Account, a limited partner or a client bears asset-based and performance-based allocations at both the Fund or Account level and at the portfolio fund level. In addition, a limited partner in a Fund bears a proportionate share of the fees and expenses of the Fund (including operating costs) and, indirectly, similar expenses of the portfolio funds. An Account client also indirectly bears expenses of the portfolio funds.

Performance-Based Fees and Side-by-Side Management

As more fully described in the section “Fees and Compensation,” in its capacity as general partner of the Funds, Drake Capital is entitled to receive an Incentive Allocation equal to 5% of the investor’s profits, if any, after deducting the Administrative Allocation once a non-cumulative annual hurdle rate of return is achieved. The Incentive Allocation is a performance-based fee. Account clients typically pay similar performance-based compensation, but different Account clients may pay different aggregate fees as a result of Account size and other considerations.

Types of Clients

Drake Capital furnishes investment management services to individuals, trusts, estates, charitable organizations, pension and profit-sharing plans, corporations and other business entities, and pooled investment vehicles.

Drake Capital generally requires a minimum investment of \$50 million to open a separately managed Account. The initial and additional subscription minimums for the Funds are disclosed in the offering memoranda for the Funds.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategy

Drake Capital develops and implements alternative investment programs for sophisticated clients. Drake Capital has the sole discretion to select investment managers for the Master Funds and Accounts, to determine which investment strategies are suitable for the Master Funds and Accounts, and to allocate and reallocate the assets of the Master Funds and Accounts.

The investment objective of the Master Funds is to achieve attractive risk-adjusted capital growth by investing in a portfolio of funds (private and registered) and/or managed accounts (such managed accounts together with the funds, the “Portfolio Funds”), managed by Investment Managers, that invest, both long and short, in equities, options, warrants, futures, commodities, fixed income securities, currency forward contracts and other financial instruments, often use leverage and charge a fixed fee and/or a performance-based fee. Such Portfolio Funds may also have a long bias and may not engage in short selling. Each Master Fund seeks to achieve results that are less volatile than the results of a single fund with the same or similar investment objective. There is no assurance that the investment objective of a Master Fund will be met. Drake Capital may invest the cash balances of the Funds and the Accounts in any instruments that it deems appropriate, including hedging and portfolio overlay investments. Any income earned from these investments is reinvested by the Funds and the Accounts in accordance with their respective investment programs.

Drake Capital primarily focuses on researching and analyzing the Investment Managers rather than individual securities. The analytical process used by Drake Capital includes both

quantitative and qualitative elements. Drake Capital analyzes the strategy, philosophy and decision-making process of each Investment Manager, its proprietary research and portfolio management processes, the quality of its investment professionals, and its organizational structure. Drake Capital invests in Investment Managers that execute a broad range of strategies, including equity investing, credit and fixed income investing, and event driven, distressed and macroeconomic strategies. The Investment Managers typically have broad investment parameters, and each Investment Manager may employ several strategies within its portfolio.

The following risks are among those associated with the investment strategy of Drake Capital and the common investment strategies used by the Investment Managers.

Dependence on Portfolio Managers. Drake Capital invests client assets through Investment Managers that are not affiliated with Drake Capital. The success of the Funds and the Accounts depends on the ability of Drake Capital and these Investment Managers to develop and implement investment strategies that achieve client investment objectives. For Drake Capital, this task may be accomplished primarily by its selection and management of a group of Investment Managers that meet objectives established by Drake Capital. The decisions made by Drake Capital or the Investment Managers, or both, may cause clients to incur losses and to miss profit opportunities. Overall client performance is dependent on not only the investment performance of individual Investment Managers, but also the ability of Drake Capital to select and allocate client assets among the Investment Managers effectively on an ongoing basis. There can be no assurance that the allocations made by Drake Capital will prove successful, or as successful as other allocations that might have been made, or superior to a static approach in which Investment Managers are not changed.

Equity Investing. Investment Managers use a broad range of equity investment styles, including growth, core and value, as well as portfolios designed to be neutral as to investment style. Some Investment Managers focus on specific ranges on the capitalization scale, including micro-cap, small-cap, mid-cap, large-cap and mega-cap. Other Investment Managers focus on investment opportunities in more than one capitalization category or across all capitalization levels. In addition, some Investment Managers emphasize a global or multi-national investment approach or concentrate on particular geographic regions or specific countries.

Fixed Income Investing. Several Investment Managers invest in a broad range of fixed income securities that may or may not be credit sensitive. Investment Managers may invest their portfolio funds in investment grade, high yield or distressed securities, as well as combinations of these types of securities, and structured securities instruments of United States and foreign issuers.

Short Selling. The Investment Managers typically engage in short-selling strategies. In a short sale transaction, an investor sells a security that he does not own in anticipation that the market price of the security will decline. The Investment Managers may make short sales for profit, as a form of hedging to offset potential declines in long positions in similar securities, or to maintain flexibility.

Financial Leverage. The investment programs of the Investment Managers may use a significant amount of leverage. Financial leverage involves the borrowing of funds from brokerage firms, banks and other institutions to increase the amount of capital available for marketable securities investments.

Arbitrage Transactions. Some Investment Managers engage in one or more arbitrage strategies. Arbitrage strategies attempt to exploit perceived price discrepancies between identical or similar financial instruments in different markets or in other forms. Investment Managers may engage in a wide range of arbitrage strategies, including event driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate arbitrage, statistical arbitrage and index arbitrage.

Global Macroeconomic Strategy. Some Investment Managers engage in a global macroeconomic investment strategy. These Investment Managers attempt to anticipate global macroeconomic events using discretionary selection, predetermined mathematical trading models or a combination of both.

Option Trading. The Investment Managers may engage in various option trading investment strategies. Options are investments whose ultimate value is determined from the value of the underlying investment.

Material Risks, Including Significant or Unusual Risks, Relating to Investment Strategies Executed by Investment Managers and Drake Capital

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer and changes in general economic or political conditions may increase the risk of default by an issuer or counterparty, which may affect the value of a security or an instrument. The value of securities of smaller, less well-known issuers may be more volatile than the value of securities of larger issuers. Smaller issuers may have more limited product lines, markets or financial resources.

Short-Selling Risk. The investment program of some Investment Managers includes a significant amount of short selling. Short-selling transactions expose a portfolio fund to the risk of loss in an amount greater than the initial investment, and the losses may increase rapidly and without effective limit. There is the risk that the securities borrowed by an Investment Manager in connection with a short sale would need to be returned to the securities lender on short notice.

If a request for return of a borrowed security occurs at a time when other short sellers of the same security are receiving similar requests, a “short squeeze” may occur. In the event of a short squeeze, an Investment Manager may be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with securities purchased on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Hedging. There can be no assurance that a particular hedge is appropriate or that risk is measured properly. Further, though an Investment Manager or Drake Capital may enter into hedging transactions to seek to reduce risk, these transactions may result in poorer overall

performance and increased (rather than reduced) risk for the portfolio fund or the Funds than if the Investment Manager or Drake Capital did not engage in hedging transactions.

Interest Rate Risk. Generally, the value of fixed income securities changes 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. Interest rate risk is greater for fixed income securities with a longer maturity than for short-term securities.

Arbitrage Transactions Risk. If the requisite elements of an arbitrage strategy are not properly analyzed, or if unexpected events or price movements intervene, losses may occur. These losses may be magnified to the extent that an Investment Manager is employing leverage. Moreover, arbitrage strategies often depend on identifying favorable spreads. Favorable spreads may be identified, reduced or eliminated by other market participants.

Commodities. Commodity investments are affected by business, financial market or legal uncertainties. There can be no assurance that the Investment Managers will correctly evaluate the nature and magnitude of the various factors that could affect the value of, and return on, their commodity investments. Prices of commodity investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the portfolio investment results of the Investment Managers and the value of the portfolio funds. In addition, the value of the Funds and the Accounts and the portfolio funds managed by the Investment Managers may fluctuate as the general level of interest rates fluctuates.

Relative Value Risk. In the event that the perceived pricing misalignments that underlie the relative value trading positions that an Investment Manager places in its portfolio fund were to fail to converge toward, or were to diverge further from, the relative values that the Investment Manager expects, the portfolio fund may incur a loss.

Distressed Situation Risk. Investment by an Investment Manager in distressed situation securities exposes a portfolio fund to significant risks, including: 1) the difficulty in obtaining information as to the true condition of the issuer; 2) regulatory risk, including the laws relating to fraudulent conveyances, voidable preferences, lender liability and bankruptcy; 3) litigation risk; 4) liquidity risk; and 5) collection risk, especially in the context of sovereign debt. Moreover, to the extent that one or more portfolio funds invest in sovereign debt obligations, those obligations are subject to additional risks and considerations that are not present in private distressed situation securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations. These uncertainties may be additionally affected by world events, changes in U.S. foreign policy and other factors outside the control of the Investment Managers.

Risks Associated With Types of Securities in Which Investment Managers and Drake Capital Invest

Equity Securities. The value of equity securities fluctuates in response to company-specific, political, market and economic developments. Fluctuations may be dramatic in the short term

as well as the long term, and different parts of the market and different types of equity securities may react differently to these developments. For example, large-cap stocks may react differently than small-cap stocks, and growth stocks may react differently than value stocks. Company-specific, political or economic developments may affect a single company's equity, the equities of companies within an industry, economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single company may impact the market as a whole. Terrorism and related geopolitical risks have led, and in the future may lead, to increased short-term market volatility. Geopolitical risks may have adverse long-term effects on world economies and markets generally.

Fixed Income and Debt Securities. Investments in fixed income and debt securities, such as bonds, notes and asset-backed securities, subject a portfolio fund to the risk that the overall value of the securities will decline because of rising interest rates. Similarly, portfolio funds that hold fixed income and debt securities are subject to the risk that portfolio income will decline because of falling interest rates. Investments in these types of securities also are subject to the credit risk that is created when a debt issuer fails to pay interest and principal in a timely manner. An additional type of credit risk results when negative perceptions about the ability of an issuer to pay principal and interest cause the price of debt securities to decline. Last, fixed income and debt securities may fluctuate more in price than equity securities, and this risk may impact the price volatility of a portfolio fund. Fixed income and debt securities that have lower ratings are generally less liquid than higher-rated securities, because issuers of lower-rated debt securities are not as strong financially, are more likely to encounter financial difficulties and are more vulnerable to adverse changes in the economy.

Non-U.S. Securities. Foreign securities, foreign currencies and securities issued by U.S. entities with substantial foreign operations may involve additional risks relating to political, economic or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All these factors may make foreign investments, especially those in less-developed countries (sometimes referred to as emerging markets), more volatile and potentially less liquid than U.S. investments. In addition, foreign markets may perform differently from U.S. markets.

Emerging Markets. The risks of foreign investments typically are greater in emerging markets. For example, political and economic structures in less-developed countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation or currency devaluation, which may harm their economies and securities markets and may increase volatility. Restrictions on currency trading that may be imposed in emerging markets will have an adverse effect on the value of the securities of companies that trade or operate in those countries.

Distressed Securities. Unrated or lower-rated debt securities of distressed companies are subject to greater risk of loss of principal and interest than higher-rated debt securities. In addition, the securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies. Evaluating credit risk for foreign debt

securities involves greater uncertainty because credit rating agencies throughout the world have different standards, which complicates comparison.

Derivatives. Swaps, options traded over the counter and other customized derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty of the instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments may involve a high degree of leverage, meaning that the overall contract value (and, accordingly, the potential for profits or losses in that value) may be much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities also may be highly volatile. The prices of derivative instruments and the investments underlying derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by an Investment Manager. Further, many transactions in derivative instruments are not undertaken on recognized securities exchanges and thus expose a portfolio fund to greater risks than regulated exchange transactions. Exchange transactions generally provide greater liquidity and more accurate valuation of securities.

Mortgage-Backed Securities. Mortgage-backed securities are subject to credit risk associated with the performance of the underlying mortgage properties. Factors such as consumer spending habits, local economic and competitive conditions, tenant occupancy rates, regulatory or zoning restrictions, and the loss of a major tenant may adversely affect the economic viability of a mortgaged property. In addition, mortgage-backed securities are subject to prepayment risk. Some securities have a structure that makes their reaction to interest rates and other factors difficult to predict, which causes their value to be highly volatile.

Asset-Backed Securities. Asset-backed securities are subject to interest rate risk and, to a lesser degree, prepayment risk. Asset-backed securities are subject to additional risks in that, unlike mortgage-backed securities, asset-backed securities generally do not have the benefit of a security interest in the related collateral. Each type of asset-backed security entails unique risks, depending on the type of assets involved and the legal structure used. In addition, asset-backed securities experience credit risk. There is also the possibility that recoveries on repossessed collateral may not be available to support payments on asset-backed securities because of the inability to perfect a security interest in the collateral.

Security Futures and Options. In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options held by a portfolio fund. In addition, an Investment Manager that invests in security futures and options may encounter the lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

Commodity Futures and Options. Commodity futures markets are highly volatile. They are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events, and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, employing a high degree of leverage may be typical for an Investment Manager that

engages in commodity futures trading. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses for a portfolio fund. Like commodity futures contracts, commodity options are speculative and involve risk. Specific market movements of the cash commodity or futures contract underlying an option may not be predictable or accurately predicted. No assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

Illiquid Investments. Some securities and instruments may have no readily available market or independent pricing. Reduced liquidity may have an adverse impact on market prices and the ability of an Investment Manager or Drake Capital to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for an Investment Manager to obtain market quotations based on actual trades for the purpose of valuing a portfolio fund.

Disciplinary Information

This item is not applicable.

Other Financial Industry Activities and Affiliations

Drake Capital is not registered, nor does it have an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities. In December 2012 and December 2014, Drake Capital filed claims for relief under the Commodity Exchange Act pursuant to Commodity Futures Trading Commission no-action letter 12-38.

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

Code of Ethics

Drake Capital recognizes and believes that: 1) high ethical standards are essential for its success and to maintain the confidence of its clients; 2) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and 3) it has a fiduciary duty to its clients to act solely for their benefit. All personnel of Drake Capital are required to put the interests of the clients of Drake Capital before their own personal interests and to act honestly and fairly in all respects in dealings with clients. Drake Capital seeks to avoid conflicts of interest with its clients and will take appropriate steps consistent with its code of ethics to resolve any conflicts of interest that may arise.

Drake Capital has adopted a Code of Ethics that governs personal trading by its personnel. This Code of Ethics requires Drake Capital and its personnel to comply fully with all applicable laws, including applicable federal securities laws, in conducting investment advisory services and related activities. Among other requirements, the Code of Ethics requires personnel to report their

personal securities transactions and holdings to Drake Capital. In addition, principals and other advisory representatives of Drake Capital make personal investments and sometimes those investments are suitable for client accounts as well. This can create conflicts of interest in allocating limited investment opportunities. Accordingly, pre-trade approval is required for transactions in the personal accounts of Drake Capital's principals and advisory representatives with respect to private placement offerings, including offerings of securities in hedge funds, and initial public offerings, and requests for approval will be denied where the particular opportunity is also being pursued for a client account if there is insufficient availability for both client accounts and such personal accounts to participate. In this regard, investment vehicles owned (or owned in part) by principals or advisory representatives of Drake Capital, or family members of such persons, that have overlapping investment strategies with other Funds or Accounts managed by Drake Capital of which Drake Capital's principals have investment discretion ("Insider Accounts"), will be subject to the foregoing pre-trade approval procedures. In instances where inventory is not available to fill the order on behalf of both client and Insider Accounts, client orders will be filled before any Insider Account receives an allocation. Any remaining inventory available after client allocations have been met will be allocated to Insider Accounts pro rata based on the pre-allocation determination taking into account only the Insider Accounts. The Code of Ethics and other compliance procedures establish policies and procedures in numerous areas, including the treatment of confidential proprietary information, recordkeeping, conflicts of interest and personal securities transactions. Current and prospective clients and Fund investors may obtain a copy of the Code of Ethics by contacting Mr. Gustin, the Chief Compliance Officer, by e-mail at rgustin@drakeadvisors.com or by telephone at 203.861.7500.

Mr. Gustin is responsible for overseeing adherence to the Code of Ethics. He has engaged an independent outside compliance consultant to assist in providing oversight and to conduct periodic testing and reviews. The transactions of all personnel in their personal securities accounts are reviewed on a regular basis by compliance personnel. Any transactions that are believed to be a violation of the Code of Ethics would be reported promptly to the Chief Compliance Officer.

The Chief Compliance Officer, with the advice of legal counsel, if appropriate, will consider reports made to him. Upon determining that a violation of the Code of Ethics has occurred, he may impose sanctions or remedial action as he deems appropriate or to the extent required by law. These sanctions may include, among other things, disgorgement of profits and suspension or termination of employment.

Drake Capital has a written insider trading policy that is designed to prevent the improper use of material nonpublic information.

Transactions in Securities Recommended to Clients

Drake Capital and its related persons may invest their personal funds in the Funds, in their own personal securities accounts and in accounts held by persons and entities related to them. Occasionally, insiders may be subscribing to the same investments as the Funds or Accounts as well as making personal investments that differ from Fund or Account investments. As a result, these persons may hold, directly or indirectly, the same securities as the Funds and the Accounts. Drake

Capital is the general partner of the Funds. Drake Capital has established procedures intended to identify conflicts of interest in cases in which Drake Capital, a related person or an employee buys or sells securities recommended by Drake Capital to its clients. Potential conflicts are addressed directly, and their resolution is documented. In an effort to minimize conflicts, the Chief Compliance Officer is required to pre-clear all transactions involving limited offerings (such as initial public offerings and private placements) as well as all transactions to be effected by a firm principal in an Insider Account. The Chief Compliance Officer may deny permission to execute the transaction if the transaction would appear to have an adverse economic impact on a client.

The existence of personal investments alongside client investments could produce conflicts from an allocation standpoint. In instances in which allocations are intended to be made by Advisor principals in Insider Accounts, investments will be permitted to be made alongside client accounts in accordance with the Firm's pre-trade allocation determination and contingent on the availability of the holding in question. In instances where inventory is not available to fill the order on behalf of Clients or both Client and Insider Accounts, Client orders will be filled before any Insider Account receives an allocation. Any remaining inventory available after Client allocations have been met will be allocated to Insider Accounts pro rata based on the pre-allocation determination, taking into account only the insider accounts.

Brokerage Practices

Considerations in Selecting Broker-Dealers for Client Transactions

Except for the general investment guidelines set forth in the offering memorandum of a Fund, there are no limitations on the authority of Drake Capital with respect to investment or brokerage discretion. Drake Capital does not intend to enter into agreements with broker-dealers regarding specific amounts of brokerage, nor does Drake Capital intend to enter into soft-dollar arrangements. Drake Capital is authorized to designate the banks, broker-dealers and other counterparties to be used for transactions by clients. Drake Capital selects broker-dealers based on the overall benefit and quality of the services that they provide and not solely based on the amount of their fees. In some cases, federal and state laws (such as the Employee Retirement Income Security Act of 1974) may limit or restrict the selection of broker-dealers.

In the rare instances in which Drake Capital chooses broker-dealers for client transactions, Drake Capital endeavors to select financially responsible broker-dealers that provide best execution. Drake Capital has established general criteria to determine which broker-dealers are qualified to provide brokerage services to its clients. Drake Capital considers, among other relevant factors: 1) the financial stability of the broker-dealer; 2) the actual executed price of the security and the commission rates of the broker-dealer; 3) the value of the research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis) and custodial and other services provided by the broker-dealer that are expected to enhance the general portfolio management capabilities of Drake Capital; 4) the size and type of the transaction; 5) the difficulty of execution and the ability to handle difficult trades; 6) the operational facilities of the broker-dealer, including back-office efficiency; and 7) the ability to handle a block order for securities and distribution capabilities. In

selecting a broker-dealer to execute a transaction or a series of transactions, and in determining the reasonableness of broker-dealer compensation, Drake Capital is not required to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Drake Capital's practice to negotiate execution-only commission rates. As a result, a client may be paying for research, brokerage or other services provided by a broker-dealer that are included in the commission rate.

On occasion, Drake Capital may have the opportunity to purchase securities for clients in an initial public offering or other limited investment opportunity. Subject to suitability considerations, Drake Capital would seek to allocate these so-called scarce securities ratably among clients that have capital available to invest.

Order Aggregation

Drake Capital may be considered to aggregate orders to the extent that a Fund and one or more Accounts invest in portfolio funds or accounts managed by the same Investment Manager. In these cases, a separate subscription agreement is submitted by the Fund and each Account. Subject to any minimum account size imposed by an Investment Manager, the Fund and each Account will receive the same economic terms when making a simultaneous investment in the same class of interests or share series with an Investment Manager.

Drake Capital will generally follow the guidelines set forth below in aggregating client orders for securities, including any orders placed for the same class of interests or share series for portfolio funds or accounts managed by the same Investment Manager:

- No client will be favored over any other client.
- Each client that participates in an aggregated order will participate at the average price for all transactions of Drake Capital in that security on a given business day.
- If the aggregated order is filled in its entirety, it will be allocated among clients that Drake Capital has determined to be suitable for the transaction in accordance with the general policy described here.
- If the aggregated order is partially filled, it will be allocated among suitable clients pro rata.

Notwithstanding the foregoing, an aggregated order may be allocated on a basis different from that specified in the allocation statement, if the reason for the different allocation is explained in writing and approved by the Chief Compliance Officer no later than the close of trading on the day on which the order was executed. Reasons for allocation on a basis different from that specified in the allocation statement may include client investment guidelines and restrictions, available cash, liquidity requirements and legal or regulatory reasons.

Review of Accounts

All investment portfolios are closely monitored by Messrs. Gustin and MacFarlane at least quarterly to ensure adherence to investment and risk objectives. Messrs. Gustin and MacFarlane are generally aware of the holdings in the Funds and the Accounts at all times. Before deciding

whether to purchase or sell a particular security on behalf of a client, the client portfolio holding the security is reviewed. In addition, client portfolios are reviewed periodically from the standpoint of the specific investment objectives of the client and as particular situations may dictate.

Portfolio holdings are monitored in light of significant investment developments and other activities that may dictate a change in portfolio positions. Client inquiries, changes in the general market outlook, changes in tax laws, new investment information, changes in the financial situation of a client and changes in the opinions of Messrs. Gustin and MacFarlane on specific issues may prompt periodic reviews of some or all client accounts.

Regular Reports

Limited partners in the Funds receive reports from Drake Capital pursuant to the terms of the offering memoranda. Account clients receive reports from Drake Capital as described in the investment management agreement of the client.

Client Referrals and Other Compensation

This item is not applicable.

Custody

Where applicable, custodians for the Accounts provide information to clients. Account clients are urged to review those statements carefully.

Investment Discretion

Drake Capital generally requires discretionary authority to manage assets on behalf of clients. Unless otherwise instructed or directed by a discretionary client, Drake Capital has the authority to determine, without obtaining specific client consent: 1) the securities to be bought or sold and the amount of the securities to be bought or sold (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines); and 2) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there are differences among the Funds and the Accounts in invested positions and securities held. Drake Capital may consider the following factors, among others, in allocating securities among the Funds and the Accounts:

- The investment objectives and strategies of the Fund or the Account;
- The risk profile of the Fund or the Account;
- Tax status and any portfolio or legal restrictions imposed on the Fund or the Account;
- The size of the Fund or the Account;
- The nature and liquidity of the security to be allocated;
- The size of the available position;

- Current market conditions;
- Liquidity and requirements for liquidity; and
- The timing of cash flows from the security or within the Fund or the Account.

In the rare event in which discretionary authority has not been granted, Drake Capital consults with the client prior to each investment transaction to obtain concurrence. Discretionary trading authority facilitates making investments on behalf of the Funds or the Accounts so that Drake Capital may promptly implement its investment strategies on behalf of clients. Prior to assuming full discretion in managing the assets of a client, Drake Capital enters into an investment management agreement or other agreement that sets forth the scope of the discretionary authority.

Each Fund and most Account clients grant Drake Capital a limited power of attorney, which is a trading authorization that gives Drake Capital discretionary authority over the client assets.

Voting Client Securities

From time to time, Drake Capital may have the right to vote by proxy on matters regarding the portfolio funds or other securities in which the Funds and the Accounts invest. Drake Capital has adopted proxy-voting policies and procedures that are designed to ensure that, in cases in which Drake Capital votes proxies with respect to client securities, the proxies are voted in the best interests of clients. These policies and procedures also require Drake Capital to identify and address conflicts of interest between Drake Capital and its clients. If a material conflict of interest exists, Drake Capital will determine whether voting in accordance with the guidelines set forth in the policies and procedures is in the best interests of the client or will take other appropriate action.

Clients may obtain a copy of these policies and procedures and information about how Drake Capital has voted any such proxies by contacting Mr. Gustin by e-mail at rgustin@drakeadvisors.com or by telephone at 203.861.7500.

Financial Information

This item is not applicable.

Appendix: Material Changes

This is Drake Capital's Annual Updating Amendment to Form ADV for the fiscal year ending December 31, 2019. There are no material changes to disclose since the most recent Annual Amendment filed on March 21, 2019.

Brochure Supplement

David B. MacFarlane, Ray Gustin, Catherine Lai

Educational Background and Business Experience

David B. MacFarlane

Born 1962

M.B.A. with Distinction, Harvard Business School, Harvard University

B.A. with Distinction, University of Virginia

David MacFarlane founded Drake Capital in early 2001 to manage global hedge fund portfolios for institutional investors and other sophisticated investors. Mr. MacFarlane has over 20 years of experience managing hedge fund portfolios and has longstanding relationships with leading hedge fund managers across virtually all hedge fund strategies. From 1993 through 2001, Mr. MacFarlane was President and Managing Director of Kemnay Services USA Inc., a family office of related investment companies and charitable foundations, where he managed hedge fund portfolios well in excess of \$1 billion. He has also served on the boards of various well-established hedge funds including those managed by Tiger Management LLC, Marshall Wace and Adelphi Capital LLP. Prior to Kemnay, Mr. MacFarlane served as Director of J O Hambro Magan, a specialist M&A advisory firm in London. Mr. MacFarlane served as Chair of the Board of Directors of the University of Virginia Investment Management Company (UVIMCO) from 2014-2019 and has served as a board member of numerous other non-profit organizations. Mr. MacFarlane holds an M.B.A. with distinction from Harvard Business School and a B.A. with distinction from the University of Virginia.

Ray Gustin

Born 1961

M.B.A., University of Chicago

B.S. with Honors, Pennsylvania State University

Ray Gustin has over 20 years of senior investment management experience managing hedge fund and private equity portfolios and investments, including 17 years at Drake Capital. Mr. Gustin has extensive experience directing investments across all asset classes and geographic markets. Prior to joining Drake Capital in 2003, Mr. Gustin was Managing Director and General Partner at private equity firm Cornerstone Equity Investors, where he invested in innovative early stage companies in the technology, communications and business services sectors. Prior to joining Cornerstone in 2000, Mr. Gustin was Managing Director of the US M&A practice of TD Securities, where he advised clients and invested the bank's proprietary capital in a wide range of private equity investments. Mr. Gustin joined TD Bank in 1989 in the bankruptcy/restructuring advisory practice, where he completed restructurings in the retail/consumer, media/communications and cyclical industries. Mr. Gustin is also actively committed to supporting innovation in cancer research, environmental policy and public health. He is currently a member of Memorial Sloan Kettering's Institutional Review Board (IRB) and NRDC's Global Leadership Council. He previously served for more than a decade as a Trustee of the Greenwich Roundtable and has been a member of the Education

Committee since 2007. Mr. Gustin has co-authored numerous publications on topics of interest to institutional investors, including the Greenwich Roundtable's *Best Practices* series. Other publications include *"Overcoming Challenges in Investment Approach of the Endowment Model" (Pensions & Investments)*. Mr. Gustin holds an M.B.A. from the University of Chicago and a B.S. with honors from Pennsylvania State University.

Catherine Lai

Born 1963

M.B.A., Bernard Baruch College

M.A., St. John's University

B.A., Tamkang University (Taiwan)

Certified Public Accountant

Cathy Lai is responsible for managing all financial and tax matters for the funds and other accounts managed by Drake Capital. Ms. Lai also is responsible for conducting Drake Capital's operational due diligence of fund managers across all strategies. Prior to joining Drake Capital in 2006, Ms. Lai was a Managing Director and the Controller at FrontPoint Partners LLC ("FrontPoint"). In that role, Ms. Lai oversaw the financial and administrative functions for the FrontPoint hedge funds, the management company and its international subsidiaries. Prior to joining FrontPoint in 2003, she was a Senior Fund Administration Analyst at SAC Capital, where she was responsible for the financial and administrative functions for its hedge funds. Ms. Lai is a Certified Public Accountant and holds an M.B.A. from Bernard Baruch College, an M.A. from St. John's University and a B.A. from Tamkang University in Taiwan.

Disciplinary Information

This item is not applicable.

Other Business Activities

This item is not applicable.

Additional Compensation

This item is not applicable.

Supervision

Drake Capital has in place written policies and procedures reasonably designed to detect and prevent violations of the securities laws, rules and regulations. Mr. Gustin is Drake Capital's Chief Compliance Officer and, as such, is the person responsible for administering the compliance program, and monitoring the firm's Code of Ethics. Messrs. Gustin and MacFarlane supervise all supervised persons of Drake Capital. Messrs. Gustin and MacFarlane are both Managing Directors and Portfolio Managers and have full autonomy for investment decisions and the supervision by

the Chief Compliance Officer is limited to matters relating to verifying adherence to the firm's compliance policies and procedures, including the Code of Ethics. Mr. Gustin, Managing Director, and Mr. MacFarlane, Managing Director, may be reached by telephone at 203.861.7500.