

Item 1
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Form ADV Part 2A

Firm Disclosure Brochure

March 25, 2020

Tower Road Capital, L.P.

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This disclosure brochure (the “Brochure”) provides information about the qualifications and business practices of Tower Road Capital, L.P. and certain of its affiliates (collectively, “Tower Road,” “Investment Manager” or the “Firm”) for purposes of Form ADV. If you have any questions about the contents of this Brochure, please contact us at the number listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. From time to time in this and other documents Tower Road may refer to itself as a “registered investment adviser” by virtue of its anticipated registration with the SEC. This title does not imply any level of training or skill. Additional information about Tower Road is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2
Material Changes

There have been no material changes which occurred since the Firm's initial application for investment adviser registration.

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Item 4

Advisory Business

A. Tower Road is a Delaware limited partnership formed in August 2018 which filed its initial application for federal investment adviser registration in May 2019. The Firm is principally owned by Keith Goodman and Jason Wulf.

B. Tower Road is a discretionary investment manager that seeks long-term capital appreciation, primarily by making long and short investments in U.S. and non-U.S. equities and equity-related securities. The Firm manages three pooled investment vehicles which have been established as part of an onshore/offshore master-feeder structure (“Fund,” “Client,” “Funds” or “Clients”). The onshore feeder is a Delaware limited partnership, Tower Road Capital Partners, L.P. (the “Onshore Fund”), the offshore feeder is a Cayman Islands exempted corporation, Tower Road Capital Offshore Fund, Ltd. (the “Offshore Fund”), and the offshore master is a Cayman Islands exempted limited partnership, Tower Road Capital Master Fund, L.P. (the “Master Fund”). Interests in the Funds will be offered privately and generally available only to persons who are “accredited investors” as defined in Regulation D under the Securities Act of 1933, as amended (“Securities Act”) and “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (“Investment Company Act”). The Fund’s general partner (“General Partner”) is an advisory affiliate of Tower Road.

An investment in the Funds is subject to the investment objectives, terms and conditions outlined in the applicable offering documents, which include but are not limited to the confidential private placement memorandum, limited Fund agreement and subscription materials (collectively, “Governing Documents”). This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase interests in the Fund and the disclosure contained herein shall not be relied on to determine whether an investor should purchase interests in the Fund. Any such offer or solicitation will be made solely to qualified investors by means of the Governing Documents. To the extent that there is any conflict between the disclosure contained in this Brochure and the Governing Documents provided to investors, the Governing Documents will govern.

While Tower Road focuses on the strategies and asset classes discussed throughout this Brochure, the Firm does not necessarily limit the types of investments on which it advises.

C. To the extent set forth in the Governing Documents, Tower Road tailors its investment advisory services to be consistent with the Funds’ investment strategies, return profile, concentration limits, time horizon, liquidity mandates and other related objectives, as defined therein. Underlying investors may not impose restrictions on investing in certain securities or types of securities.

D. Tower Road does not participate as a sponsor of or portfolio manager to any wrap fee programs.

E. As of December 31, 2019, the Firm managed \$31,700,000 of regulatory assets under management on a discretionary basis. Tower Road did not manage any assets on a non-discretionary basis.

Item 5

Fees and Compensation

A. As compensation for its services, Tower Road will generally receive an annualized management fee (“Management Fee”) equal to 1.5% (i.e., 150 basis points) of the value of each investor’s capital account, subject to certain variations based on the series of Fund interest held by an investor. The Firm and/or the General Partner (or an affiliate or designee thereof) will also receive incentive-based compensation (“Incentive Allocation”) of up to 20% of the Fund’s net profits per annum.

B. The Firm receives the Management Fee directly from a Fund on a quarterly basis. The calculation of the Management Fee is derived from the most recent calculation of net asset value, as determined by the Funds’ administrator and confirmed by Tower Road and/or the General Partner. The Incentive Allocation, if any, is calculated as of the end of each fiscal year and deducted directly from the Funds.

C. Tower Road and the Funds generally bear their own expenses. Expenses, above and beyond the Management Fee and Incentive Allocation discussed above, are allocated on a case by case basis in accordance with the Governing Documents. Additional expenses the Funds will incur generally include but are not limited to Fund operating expenses and organizational expenses, which include:

(i) all investment-related costs and expenses (i.e., expenses that, in the Investment Manager’s sole discretion, are related to the investment of the Fund’s assets, whether or not such investments are consummated), including commissions and charges, interest on margin accounts and other indebtedness, expenses relating to short sales, clearing and settlement charges, option premiums and custodial and service fees, research-related expenses (including research-related travel expenses), expenses relating to consultants, attorneys, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments;

(ii) fees and expenses related to portfolio exposure and performance management systems, risk management services and software related to trade reconciliation, treasury, margin, financial and counterparty management, risk monitoring, performance reporting, valuation quotation services (e.g., Bloomberg terminals, historical and live financial data and other similar services and data feeds) and trade order management systems (including systems that facilitate trade compliance, commission management, stock locates and transaction cost analysis, and third party service providers used for implementation, custom reporting, updates, consultations, support, maintenance, monitoring and data extracts);

(iii) the Funds’ legal, accounting (including fees associated with accounting software and systems), tax preparation and other tax-related expenses (including preparation and mailing costs of financial statements, tax returns and other reports to investors), auditing, consulting and other professional expenses;

(iv) third-party administration costs, fees and expenses (including any costs, fees and expenses related to investor communications, relations, reporting or other investor materials, tax preparation and related reporting, performance information, data extraction and other types of reporting and any audit or accounting services provided by a third-party administrator);

(v) all fees and charges of custodians, clearing agencies and banks;

(vi) compliance and reporting expenses and expenses attributable to regulatory filings that are made with respect to the Funds or assets of the Funds (including Section 13, Section 16, Form D, Form PF, FATCA, anti-money laundering compliance, state security filings, general regulatory compliance and non-U.S. position reporting filings, if applicable, and non-U.S. filings, if any);

(vii) the Funds' pro rata share of Fund-related insurance costs (including the Funds' pro rata portion of director's and officer's insurance, errors and omissions insurance, fidelity insurance and other similar policies covering the General Partner and/or the Investment Manager);

(viii) any taxes (including but not limited to any withholding taxes, transfer taxes, stamp duties and other governmental or self-regulatory agency-related charges or duties);

(ix) all costs and expenses incurred in attempting to protect and enhance the value of a Fund investment (including any fees and expenses associated with any pending or threatened litigation, audit, investigation, administrative or other proceeding, as well as any settlement costs);

(x) any fees and expenses related to a Fund's liquidation, if applicable;

(xi) fees paid to proxy and securities class action advisory firms;

(xii) expenses relating to the offer and sale of Interests in the Fund and common shares of the Offshore Fund, as applicable, and withdrawals/redemptions and transfers thereof;

(xiii) Offshore Fund directors' fees and expenses;

(xiv) other reasonable expenses related to the purchase, sale, preservation or transmittal of the Funds' assets; and

(xv) any extraordinary expenses (e.g., indemnification expenses).

Certain expenses of the Master Fund that are specific to the Onshore Feeder or the Offshore Feeder may be specially charged to the Onshore Fund or the Offshore Fund, as applicable. As a result, the Performance of the Onshore Feeder, Offshore Feeder and Master Fund may be different from one another.

The Funds do not have their own separate employees or offices, and it does not reimburse the Investment Manager for salaries or office rent. The Investment Manager is responsible for all of its overhead expenses and other similar expenses, except as provided for herein.

The fee and expense description in this Brochure does not purport to be complete or comprehensive and investors should refer to the Governing Documents for a more robust explanation.

D. Typically, the Management Fee is paid quarterly in advance. The Incentive Allocation, to the extent such compensation is earned, is paid in arrears on an annual basis.

E. Except as otherwise disclosed, neither the Firm nor any of its supervised persons receive, directly or indirectly, any compensation from the sale of securities or other investment products.

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

As outlined in Item 5 of the Brochure, Tower Road and/or the General Partner are generally entitled to receive an Incentive Allocation based on net profits after other distributions are made to the limited partners, as specified in the Governing Documents. The existence of the Incentive Allocation may motivate the Firm to make investments that are riskier or more speculative than those which would be made under a different compensation arrangement. In addition, if in the future the Firm agrees to manage assets where it (or an affiliate) does not charge an Incentive Allocation, Tower Road may have an incentive to favor Clients investing under a performance-based fee structure. However, the Firm is committed to acting at all times in the best interests of its Clients. To this end, the Firm has implemented internal controls, which are further described in the Firm's compliance policies and procedures, to address the potential conflicts associated with performance-based fees. Additional risk factors concerning the Incentive Allocation are contained in Item 8 of this Brochure.

Item 7

Types of Clients

Tower Road provides investment advisory services to pooled investment vehicles that are excepted from the definition of investment company under the Investment Company Act. As discussed in Item 4, interests in the Funds will be offered privately and generally available only to persons who are “accredited investors” as defined in Regulation D under the Securities Act and “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act. The minimum initial capital contribution is \$1,000,000, subject to reduction in the sole discretion of the General Partner, and the minimum subsequent investment is \$500,000.

Item 8

Methods of Analysis, Investment Strategies and Risk of Loss

A. The Firm's investment objective is to seek long-term capital appreciation, primarily by making long and short investments in U.S. and non-U.S. equities and equity-related securities. Tower Road will seek to identify attractive investment opportunities on both the long and short side, and through deep fundamental research, develop the necessary conviction to invest significant capital in these investments. In making investments for the Funds, the Investment Manager will follow its investment research process, which it believes is regimented, well-documented, deeply rooted in primary research, and repeatable. The process begins with the identification of a potential investment opportunity, either long or short. This is done using the Investment Manager's deep networks in various industries, buy side and sell side contacts, deep history following various sectors, research on existing or new ideas and proprietary equity screens. On the long side, generally, the Investment Manager seeks to identify a "good business" trading at a "good price". Some of the characteristics the Investment Manager looks for in a "good business" include high barriers to entry, pricing power, a "sticky" customer base, good margins, proprietary products and significant free cash flow generating ability. Ultimately, these are businesses that the Investment Manager believes can generate sustainably high return on invested capital ("ROIC"). The Investment Manager may consider a security to be trading at a "good price" when the Investment Manager believes the security is trading at a discount to fair value such that the Fund can generate an attractive return over the next 12 to 18 months. On the short side, generally, the Investment Manager seeks opportunities that fall into one of two categories. The first category includes short ideas which are more cyclical in nature and typically will represent a smaller portion of the Fund's total short positions. The second category is more secular in nature and includes the identification of companies that the Investment Manager refers to as "unsustainable business models". "Unsustainable business models" are businesses that are generating unsustainably high ROIC.

B. and C. The Funds may be deemed to be a highly speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in the Funds, who have a limited need for liquidity in their investment and who meet the conditions set forth in Governing Documents. There can be no assurances that the Fund will achieve its investment objective. The following risks should be carefully evaluated before making an investment in the Fund. The list of risks below does not purport to be an exhaustive list of the risks relating to an investment in the Fund.

Market Risks

The profitability of a portion of the Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Investment Manager will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Fund, there is always some, and occasionally a significant, degree of market risk.

Lack of Diversification; Concentration of Investments

The Fund's portfolio generally will not be diversified among a wide range of types of securities or issuers. Further, the Fund's portfolio may not be diversified among a wide range of industries, geographic areas, market capitalizations, sectors or other areas. Accordingly, the investment portfolio of the Fund will be subject to

concentration risks and more rapid change in value than would be the case if the Fund were required to maintain a broader diversification among types of securities, issuers, investment themes, industries, geographic areas, market capitalizations, sectors or other areas. Limited diversity could expose the Fund to losses disproportionate to those incurred by the market in general if the areas in which the Fund's investments are concentrated are disproportionately adversely affected by price movements in those financial instruments or assets.

Use of Leverage

The Fund may utilize leverage. This results in the Fund controlling substantially more assets than the Fund has equity. Leverage increases the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than the Fund's cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Investment Manager may find it difficult or impossible to obtain leverage for the Fund. In such event, the Fund could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Investment Manager being forced to unwind the Fund's positions quickly and at prices below what the Investment Manager deems to be fair value for such positions.

Equity-Related Instruments in General

The Fund will invest in equity securities and equity-related instruments, including but not limited to publicly listed equity securities in the U.S. or abroad, privately offered equity securities and financial instruments that may reference a single issuer, a specific sector or a broad equity index. Equity securities represent ownership interests in their respective issuers and are generally carry the most risk associated with a specific issuer's capital structure.

The price of equity securities and their related financial instruments vary for a variety of reasons, including but not limited to supply and demand of the equity securities, the actual or perceived business opportunities associated with the issuer, the current and potential future cash flow of the issuer, the issuer's management, their ability to execute on a specific business plan, the general economic environment, and the outlook for the overall economy. To the extent the Fund owns an equity security or otherwise has exposure to an equity security or an equity-related financial instrument, this investment carries the risks associated with owning equities and may also carry risks associated with the form of financial instrument (e.g., options, derivative or securities-based futures contract). Any investment in equities or equity-related instruments entails a significant risk of loss.

Short Sales

Short selling, or the sale of securities not owned by the Fund, necessarily involves certain additional risks. Such transactions expose the Fund to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and in the case of equities, without effective limit. The Fund may be unable to continue

to borrow securities previously sold short, or the cost to borrow such securities may significantly increase, which may compel the Fund to cover such position, possibly at a loss. There is the risk that the securities borrowed by the Fund in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Fund might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier. Further, there can be no assurance that securities necessary to cover a short position will be available for purchase. In addition to the foregoing risks, regulatory or legislative action taken from time to time by regulators around the world may restrict the ability of the Fund to enter into short sales.

Hedging Transactions

Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the Fund securities or other objective of the Investment Manager; (ii) possible lack of a secondary market for closing out a position in this instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Investment Manager; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the Fund's position; and (v) default or refusal to perform on the part of the counterparty with which the Fund trades. Furthermore, to the extent that any hedging strategy involves the use of OTC derivatives transactions, this strategy may be affected by implementation of the various regulations adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank").

The Investment Manager will not attempt to hedge all market or other risks inherent in the Fund's positions, and will hedge certain risks, if at all, only partially. Specifically, the Investment Manager may choose not, or may determine that it is economically unattractive, to hedge certain risks, either in respect of particular positions or in respect of the Fund's overall portfolio. The Fund's portfolio composition will commonly result in various directional market risks remaining unhedged. The Investment Manager may rely on diversification to control these risks to the extent that the Investment Manager believes it is desirable to do so; however, the Fund is not subject to formal diversification policies.

The ability of the Fund to hedge successfully will depend on the ability of the Investment Manager to predict relevant market movements, which cannot be assured. The Investment Manager is not required to hedge and there can be no assurance that hedging transactions will be available or, even if undertaken, will be effective. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as counterparty credit risk. Furthermore, by hedging a particular position, any potential gain from an increase in the value of this position may be limited.

Commodity and Futures Contracts

The Fund may invest in commodity or futures contracts. Trading in commodity and futures contracts and options thereon are highly specialized activities which while they may increase the total return in the Fund's investments, may entail greater than ordinary investment risks.

Commodity futures markets are highly volatile and 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, a high degree of leverage may be typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, the General Partner could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

Options

Trading options is highly speculative and may entail risks that are greater than investing in other financial instruments. Prices of options are generally more volatile than prices of other financial instruments. In trading options, the Investment Manager speculates on market fluctuations of the underlying financial instrument (e.g., a security, an index, a commodity, exchange rate or other instrument), while only investing a small percentage of value relative to the Fund's potential exposure.

The price of any option is a function of direction (e.g., whether the option is a "put" – the right to sell – or a "call" – the right to buy), the time to expiry and the implied volatility of the underlying instrument. The Fund may "sell" an option, which means it receives a small payment, or premium, relative to a notional amount, or the Fund may "buy" an option, which means it pays a premium to receive exposure to a larger notional amount. A "seller" of options is generally exposed to the entire notional amount of the option contract and can be exposed to even more risk if it is selling a call option. A "buyer" of options risks losing all of its investment if the option expires "out of the money" (i.e., the trade goes against that option buyer).

Purchasing put and call options, as well as writing these options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor will be small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

Derivatives

Derivatives, such as futures contracts, options, forward contracts, swaps, caps, floors and collars, allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, or index at no cost or at a fraction of the cost of investing in the underlying asset. The value of this type of instrument depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to trading derivatives related to this asset.

Use of derivative instruments presents various risks which include the following:

- Tracking – When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund from achieving the intended hedging effect or expose the Fund to the risk of loss.
- Liquidity – Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the Fund may conduct transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Fund to the potential of greater losses.
- Leverage – Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments magnifies the gains and losses experienced by the Fund and could cause the Fund’s net asset value to be subject to wider fluctuations than would be the case if the Fund did not use the leverage inherent in derivative instruments.
- OTC Trading – Derivative instruments that may be purchased or sold by the Fund may include instruments that are not traded on an exchange. The risk of non-performance by the obligor on these instruments may be greater and the ease with which the Fund can dispose of or enter into closing transactions with respect to these instruments may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between “bid” and “ask” prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with these transactions.
- Regulation of OTC Transactions – Dodd-Frank includes provisions that comprehensively regulate the OTC derivative market. The implementation of these regulations is ongoing as of the date of the respective Governing Documents. Although the effects of Dodd Frank on the OTC market have yet to be determined, dealers and other market participants are subject to additional clearing and margin requirements, as well as registration obligations and other regulatory requirements, such as business conduct standards, disclosure requirements, reporting and recordkeeping requirements and disclosures of conflicts of interest and other regulatory burdens. It is likely that these new and ongoing requirements increase the overall cost for OTC derivative dealers and other market participants, which may be passed along, at least partially, to market participants, such as the Fund, in the form of higher fees, decreases liquidity, less advantageous dealer marks and increased margin costs. The overall impact of Dodd Frank is highly uncertain, and it is unclear how OTC markets and markets generally have adapted to this regulation.

To the extent the Fund has entered into a derivative, the Fund will be exposed to the risks described above.

Preferred Stocks

The Fund may invest in preferred stocks. Preferred stocks, like many debt obligations, are generally fixed-income securities. Shareholders of preferred stocks normally have the right to receive dividends at a fixed rate when and as declared by the issuer’s board of directors, but do not participate in other amounts available for distribution by the issuing corporation. In some countries, dividends on preferred stocks may be variable, rather than fixed. Dividends on the preferred stock may be cumulative, and all cumulative dividends usually must be paid prior to common shareholders of common stock receiving any dividends. Because preferred

stock dividends must be paid before common stock dividends, preferred stocks generally entail less risk than common stocks. Upon liquidation, preferred stocks are entitled to a specified liquidation preference, which is generally the same as the par or stated value and are senior in right of payment to common stock. Preferred stocks are, however, equity securities in the sense that they do not represent a liability of the issuer and, therefore, do not offer as great a degree of protection of capital or assurance of continued income as investments in corporate debt securities. Preferred stocks are generally subordinated in right of payment to all debt obligations and creditors of the issuer, and convertible preferred stocks may be subordinated to other preferred stock of the same issuer.

Swaps

The Fund may enter into swap agreements or swaptions (defined below). Whether the Fund's use of swap agreements or swaptions will be successful will depend on the Investment Manager's ability to select appropriate transactions for the Fund. Swap agreements and options on swap agreements ("swaptions") can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease the holder's exposure to, for example, equity securities, long-term or short-term interest rates, non-U.S. currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Fund's portfolio. Moreover, the Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Fund will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Fund to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Fund's ability to terminate swap transactions or to realize amounts to be received under such transactions.

Convertible Securities

The Fund may invest in convertible securities, securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company or that are indexed to an unmanaged market index at the option of the holder during a specified time period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, stock purchase warrants, zero-coupon bonds or liquid-yield option notes, stock index notes, mandatories, or a combination of the features of these securities. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and conversely, increase as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.

Corporate Debt Obligations

The Fund may invest in corporate debt obligations, including commercial paper. Corporate debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk). The Investment Manager may actively expose the Fund to credit risk. However, there can be no guarantee that the Investment Manager will be successful in making the right selections and thus fully mitigate the impact of credit risk changes on the Fund.

Exchange Traded Funds (“ETFs”)

ETFs (which are generally registered investment companies) are effectively portfolios of securities. Accordingly, ETFs have many of the same risks as direct investments in common stocks or bonds although the potential lack of liquidity in an ETF could result in its value being more volatile than that of the underlying portfolio of securities. There may also be certain risks to the extent a particular ETF is concentrated on a particular sector, geographic region or asset class, and is not as diversified as the market as a whole. As an investor in an ETF, the Fund would bear its ratable share of the ETF's management fees and expenses in addition to the Fund's own fees and expenses. As a result, the Fund's Limited Partners, in effect, will be paying duplicate levels of fees and expenses with respect to investments in ETFs.

Fixed Income Securities

The Fund may invest in fixed income securities and other debt securities. Certain of these securities may be unrated by a recognized credit-rating agency or below investment grade, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Accordingly, these securities tend to be more sensitive to economic conditions and tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which primarily react to fluctuations in the general level of interest rates. Issuers of lower-rated debt securities are often highly-leveraged and may not have access to more traditional methods of financing. Furthermore, trading in these types of securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. Moreover, it is likely that an economic downturn could affect the ability of the issuers to repay principal and pay interest thereon resulting in a high potential of default.

Additionally, the Fund may invest in debt securities that rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Fund will therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.

Non-U.S. Securities

Investing in securities of non-U.S. governments and non-U.S. companies which are generally denominated in non-U.S. currencies and utilizing derivatives involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. Depending on the circumstances, these considerations may include, but are not limited to, changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, greater difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Emerging Markets

The Fund may invest in securities in emerging markets. Investing in emerging market securities involves certain risks and special considerations not typically associated with investing in other more established economies or

securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) potentially higher rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on the Fund's ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in emerging markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of the Fund's portfolio securities and cash with non-U.S. sub-custodians and securities depositories; and (xv) overall greater volatility.

Currency Risks

The Fund may have exposure to fluctuations in currency exchange rates. It may, in part, seek to offset the risks associated with this exposure or enter into foreign exchange transactions to increase its returns. These transactions involve a significant degree of risk and foreign exchange markets are volatile, specialized and technical. Significant changes, including changes in liquidity and prices, can occur in these markets within very short periods of time. Changes in exchange rates over time are the result of many factors directly or indirectly affecting the economic and political conditions in the country or economic region associated with a specific currency. Exchange rates fluctuate for a number of reasons, including:

- existing and expected rates of inflation,
- existing and expected interest rate levels,
- the balance of payments between the relevant country and its major trading partners,
- political, civil, or military unrest in the relevant country or economic region; and
- monetary, fiscal, and trade policies of the relevant country or economic region (including pegging, de-pegging, flooring or capping an exchange rate relative to another currency).

Governments use a variety of techniques, such as intervention by their central banks or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the value of other currencies. However, governments do not always allow their currencies to float freely in response to economic forces. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the trading value of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. The value of the Funds could be affected by the actions of sovereign governments, which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces, and the movement of currencies across borders. Additionally, market perceptions of the relative strength or cohesion of a specific political state or monetary union can dramatically affect the value of a currency. Fluctuations in exchange rates may negatively impact the value of an investment in the Funds to the extent the Funds have

currency exposure in the form of a hedge, a non-U.S. dollar denominated instrument or as a standalone position.

Currency Hedging

As described above, while the Fund is denominated in U.S. dollars, some of the underlying investments of the Fund may be denominated in multiple currencies. Accordingly, any hedging of currency exposure that is implemented by the Fund will primarily involve hedging back to the U.S. dollar, but in certain circumstances may involve other hedging activities. To the extent any such hedges are profitable during any month or quarter, the profits will be invested at the end of such month or quarter into the core investment portfolio of the Fund. Conversely, if such hedges generate losses in any month or quarter, the Investment Manager may liquidate a portion of the Fund's core investment portfolio to cover such losses. While the Fund intends to hedge its overall currency exposure, there can be no assurance that such hedges will be effective.

Portfolio Turnover

The investment strategy of the Fund may require the Investment Manager to actively trade the Fund's portfolio, and as a result, turnover and brokerage commission expenses of the Fund may significantly exceed those of other investment entities of comparable size.

Counterparty Risk

To the extent that the Fund invests in swaps, "synthetic" or derivative instruments, repurchase agreements, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Fund takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Master-Feeder Fund Structure

The Funds are set up under a "master-feeder" structure. The Onshore and Offshore Feeder Funds contribute all of its investable assets to the Master Fund. The master-feeder fund structure, and in particular the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. Smaller investment vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Similarly, the Master Fund may become less diverse due to a withdrawal by a larger investment vehicle, resulting in increased portfolio risk.

Incentive Allocation

The allocation of a percentage of the Funds' net profits to the General Partner may create an incentive for the Investment Manager, an affiliate of the General Partner, to cause the Fund to make investments that are riskier or more speculative than would be the case if this allocation were not made. Since the allocation is calculated

on a basis that includes unrealized appreciation of assets, such allocation may be greater than if it were based solely on realized gains.

In addition, in the event that an investor makes a complete or partial withdrawal from its capital account, or is required to make a withdrawal at any time other than at the end of a fiscal year, the Incentive Allocation will be computed and charged to such investor as though the date of such limited partner's withdrawal of capital or retirement was the last day of a fiscal year. This may result in the investor being charged an Incentive Allocation during the year even though the limited partner does not have net profits based on the entire year's performance (i.e., due to losses that occur after the withdrawal).

Business and Regulatory Risks of Hedge Funds

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

Cybersecurity Risk

The Fund, the Investment Manager and their service providers, including banks, broker-dealers, custodians and their affiliates, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information, unauthorized asset transfers, and various other forms of cybersecurity breaches. Cyber-attacks affecting the Fund, the Investment Manager, or their service providers may adversely impact the Fund. For instance, cyber-attacks may interfere with the processing or execution of Fund transactions, cause the release of confidential information, including private information about Limited Partners, subject the Fund, the Investment Manager or their affiliates to regulatory fines or financial losses, or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds), affecting any of the Fund's key service providers, such as the Investment Manager, banks, broker-dealers, custodians, or other counterparties holding assets of the Fund, may cause significant harm to the Fund, including the loss of capital. Similar types of cybersecurity risks are also present for issuers of securities in which the Fund may invest. These risks could result in material adverse consequences for such issuers, and may cause the Fund's investments in such issuers to lose value. While the Investment Manager has instituted specific policies and has engaged specialized vendors to manage cybersecurity risk and disaster recovery, there are no assurances that these policies and vendors will mitigate risks associated with cybersecurity.

Limited Withdrawal and Transfer Rights

A Limited Partner generally will be permitted to withdraw all or any part of its capital account only in accordance with the terms described herein. Transfers of the Interests will be permitted only with the written consent of the General Partner. Accordingly, the Interests should only be acquired by investors willing and able to commit their funds for an appreciable period of time.

Allocation of Investment Opportunities

The Investment Manager (or its members, principals, affiliates and employees) may give advice or take action with respect to the other Clients that differs from the advice given with respect to the Fund. To the extent a particular investment is suitable for both the Fund and the other Clients, the Investment Manager will have policies in place to determine which client should be allocated such investment. From the standpoint of the Fund, this will be deemed to limit the universe of potential investments in which the Fund may invest. In addition, in some cases the Investment Manager may be exposed to material non-public information in connection with its review of potential investments for other Clients, which would then limit the Fund from investing in such companies until such information is either made public or is no longer material.

Expense Allocations

The Fund bears its own expenses, as described in the Governing Documents. Each other Client bears its own expenses as set forth in its respective investment management or other agreement with the Investment Manager or its affiliates. Expenses borne by the other Clients may differ from the expenses borne by the Fund. In certain instances, the Fund may bear expenses that the Investment Manager has agreed to bear for one or more other Clients. In other instances, the other Clients may bear expenses that the Investment Manager has agreed to bear for the Fund.

Common expenses may be incurred on behalf of the Master Fund and one or more other Clients. The Investment Manager will seek to allocate those common expenses among the Master Fund and the other Clients in a manner that is fair and reasonable over time. However, expense allocation decisions will involve potential conflicts of interest (e.g., an incentive to favor accounts that pay higher incentive compensation, or conflicts relating to different expense arrangements with certain clients). Under its current expense allocation policies, the Investment Manager generally expects to allocate common expenses among the Master Fund and the other Clients pro rata based on relative assets under management. The Investment Manager may, however, use other methods to allocate certain common expenses among the Master Fund and the other Clients if it deems another method more appropriate based on relative use of the product or service, the nature or source of the product or service, the relative benefits derived by the Master Fund and the other Clients from the product or service, or other relevant factors. Nonetheless, the portion of a common expense that the Investment Manager allocates to the Master Fund for a particular product or service may not reflect the relative benefit derived by the Master Fund from that product or service in any particular instance. The Investment Manager's expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by the Investment Manager in good faith will be final and binding on the Fund.

Valuation

In calculating the value of the Master Fund's net assets, the administrator is entitled to rely on information provided by the Investment Manager. The Investment Manager's involvement regarding valuation of the Master Fund's portfolio may present a potential conflict of interest because the Investment Manager and the General Partner would benefit from higher valuations. Higher valuations, which are generally associated with better performance, result in higher Management Fees for the Investment Manager, a larger Incentive Allocation for the General Partner and easier marketing conversions when marketing the Investment Manager's investment management services. Notwithstanding this potential conflict of interest, the Investment Manager relies on the Administrator for its valuation services, and the administrator, in most cases, relies on pricing from independent sources such as brokers and exchange data to value the Master Fund's portfolio .

Item 9
Disciplinary Information

In the past ten years, there have been no legal or disciplinary events involving the Firm or any of its management persons that are material to the Firm's advisory business or to the integrity of the Firm's management.

Item 10
Other Financial Industry Activities and Affiliations

- A.** Neither the Firm nor any of its management persons are registered, or have an application pending to register, as broker-dealers or registered representatives of a broker-dealer.
- B.** Neither Tower Road nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C.** The General Partner is affiliated and under common control with Tower Road. Outside of this, neither the Firm nor any of its management persons have a relationship or arrangement that is material to the Firm's advisory business or its Clients.
- D.** Tower Road does not recommend or select other investment advisers for the Funds.

Item 11

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

A. The Firm has adopted a Code of Ethics (“Code”), which describes the Firm’s fiduciary duties and responsibilities to its Funds, requires that the Firm’s employees act in the best interests of Funds to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Funds to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. The Firm’s employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by the Firm or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of the Firm’s employees. The Code requires employees to provide duplicate brokerage accounts statements, or their electronic equivalent, and trade confirmations to the Firm or to report all securities transactions on at least a quarterly basis; and requires employees to provide a summary of securities holdings on at least an annual basis. The Code also includes policies and procedures to prevent the misuse and disclosure of material nonpublic information (i.e., “insider trading”) and other confidential information and policies and procedures addressing conflicts of interest; outside activities of employees; gifts and business entertainment, including limitations and reporting requirements; and pre-clearance and reporting of political contributions. The Firm provides a complete copy of its Code to any Fund, investor, prospective Fund or prospect investor upon request to the Chief Compliance Officer. Investors may contact the Firm to receive a copy of the Firm’s Code.

B. From time to time, consistent with a Fund’s investment objectives and subject to satisfaction of the policies and procedures set forth in the Code and in the Firm’s compliance manual (“Compliance Manual”), the Firm may recommend that a Fund acquire or sell securities in which a related person of the Firm has a pre-existing direct or indirect interest. A potential conflict of interest could arise in that the interested related person of the Firm could benefit from such a purchase or sale of the applicable security by a Fund. However, the Firm has policies and procedures designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions. These procedures are further detailed in the Firm’s policies and procedures. Certain terms of the Governing Documents and the equity participation of Tower Road’s related persons in the Funds further mitigate such conflicts.

The Firm generally does not itself trade securities on a principal basis with the Funds. Certain related persons of the Firm, however, could be principals (and in the future other funds may be deemed principals), based on SEC staff guidance, due to an investment in any such fund or related person by the Firm and controlling persons exceeding 25% of that fund’s or related person’s assets. To the extent that the Firm and/or its related persons engage (or are deemed to engage) in principal securities transactions, any such transactions will comply with applicable law. The Firm and/or its related persons may have interests in such transactions that are adverse to the Funds or other clients. In the event that the Firm decides to engage in a principal transaction, it will disclose to investors of the Fund the material terms of the transaction and receive approval from such investors, prior to engaging in the principal transaction.

To the extent permitted by applicable law and the applicable Governing Documents, the Firm may effect “cross transactions” with Clients, where the Firm may cause a Client to purchase investments from another Client, or it may cause a Client to sell investments to another Client. The Firm would recommend the Clients to enter into such transactions only if the transactions were consistent with the best interests of the Clients and at a

price that the Firm and/or its related persons believe constitutes best execution for Clients. Neither the Firm nor any related party receives any commission or commission equivalent in connection with these transactions.

C. From time to time, subject to satisfaction of the policies and procedures set forth in the Code, the Compliance Manual and the Governing Documents, the Firm or a related person of the Firm may invest in the same securities that are recommended to a Client. A potential conflict of interest could arise in that the Firm or the interested related person of the Firm could benefit from the Client's ownership of, or subsequent sale of, the applicable security. However, the Code and the Compliance Manual are designed to identify and manage conflicts of interest to the extent they arise in connection with the personal securities transactions and other investment activities of Tower Road's related persons. In particular, the Code requires that the Firm's related persons abide by policies and procedures, including a pre-clearance procedure, in connection with certain of their personal securities trading activities, and such activities are monitored under the Code to ensure compliance with such policies and procedures.

D. From time to time, in appropriate circumstances and subject to satisfaction of the policies and procedures set forth in the Code, the Compliance Manual and the Governing Documents, Tower Road may in the future establish certain investment vehicles through which Tower Road personnel and other related persons or business associates may invest alongside a Fund in one or more investment opportunities. Such vehicles, referred to as "co-investment vehicles," generally are contractually required, as a condition of investment, to purchase and sell each investment opportunity at substantially the same time and on substantially the same terms as the applicable Client that is invested in that investment opportunity. The Firm's Code and Compliance Manual are designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions.

Certain service providers (or their affiliates), including administrators, lenders, brokers, attorneys, consultants and investment banking firms, that the Firm may retain or seek to have retained for the Funds or their portfolio companies (or with respect to the Funds' portfolio investments therein) may also have relationships with, or have provided goods or services to, the Firm, its affiliates or other organizations to which senior investment professionals of the Firm have been affiliated. The Firm may choose to engage or seek to have engaged the same service providers to provide services to the Funds, portfolio companies, the Firm or its affiliates. In some cases, these service providers may provide services for one or more of these parties on terms that are more beneficial than those afforded to other of these parties. There can be no guarantee that the Funds or any of their portfolio companies will receive the most beneficial terms offered by any particular service provider. These services and relationships, or more favorable terms offered by service providers, may influence the Firm and its affiliates in deciding whether to select such a provider to perform services for the Funds or portfolio companies.

The Governing Documents generally provide that the Clients will be responsible for all costs and expenses in connection with their operation, other than the costs and expenses that will be the responsibility of the Firm or other third parties. To the extent possible, third-party expenses incurred in connection with consummated transactions may be borne by the respective portfolio companies. The Firm's out-of-pocket expenses are generally reimbursed by the applicable portfolio company or the Funds. A conflict of interest could arise in the Firm's determination whether certain costs or expenses that are incurred in connection with the operation of the Clients meet the definition of Fund operational expenses for which the Clients are responsible, or whether such expenses should be borne by the Firm. The Funds will be reliant on the determinations of the Firm in this regard, and also in regard to the allocation of investment expenses and any common operating expenses as between the various funds advised by the Firm. There can be no assurance that errors will not arise in such allocations.

The Firm may, from time to time, be presented with investment opportunities that fall within the primary investment objective of a Fund and one or more other Fund. In these situations such investment opportunities will generally be allocated on a basis that the general partner of each such Fund, working with its affiliates, determines in good faith to be fair and reasonable taking into account the sourcing of the transaction, the history of the transaction (including the business interests and other requirements of third parties involved in the transaction), the relative amounts of capital available for investment and other relevant considerations such as the contractual and legal restrictions applicable to each such Fund. Notwithstanding the foregoing, the Firm shall not be obligated to offer a Fund any investment opportunity. The members of the Firm that are involved in the allocation process will be empowered to take into account other considerations as they deem appropriate to ensure a fair and equitable allocation of opportunities, and will be entitled to vary their approach to allocation from time to time in light of such factors as they consider relevant, including developing market practice. Similarly, the individuals responsible for allocation decisions may change in the future based on the personnel needs of the Firm and developing market practice.

Notwithstanding the allocation process described above, depending on the timing of the relevant transaction, a co-investment may begin as a purchase and subsequent sale transaction (e.g., where the Firm, a Client and/or one or more other Clients closes on an acquisition first, and then subsequently “sells” a joint venture interest to another of the Firm, a Client and/or the other Clients), where other procedures would otherwise apply. This may occur, for example, in circumstances where one or more conditions to the later-acquiring party’s investment need to be satisfied before it is able to participate. It will also be within Firm’s discretion to determine to co-invest one or more of its Clients in such opportunities or otherwise create shared economics. Such transactions would occur on terms that may not be arms-length, but that the general partner determines are reasonable for such Client.

Item 12

Brokerage Practices

A. Tower Road is authorized to determine the broker or dealer to be used for each securities transaction for the Funds. In selecting brokers or dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Tower Road's practice to negotiate "execution only" commission rates, thus the Fund may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate. However, all transactions will be made on a "best execution" basis.

Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"), is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Except for services that would be a Fund level expense or as otherwise described below, the Firm will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include: research reports (including market research), certain financial newsletters and trade journals, software providing analysis of securities portfolios, corporate governance research and rating services, attendance at certain seminars and conferences, discussions with research analysts, meetings with corporate executives, consultants' advice on portfolio strategy, data services (including services providing market data, company financial data and economic data), advice from brokers on order execution and certain proxy services. Brokerage services within Section 28(e) may include: services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians), trading software operated by a broker-dealer to route orders, software that provides trade analytics and trading strategies, software used to transmit orders, clearance and settlement in connection with a trade, electronic communication of allocation instructions, routing settlement instructions, post trade matching of trade information and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

In some instances, Tower Road may receive a product or service that may be used, in part, by the Firm for Section 28(e) eligible purposes and, in part, for other purposes (e.g., an order management system, trade analytical software or proxy services). In such instances, the Investment Manager will make a good faith effort to determine the relative proportion of the product or service used to assist the Investment Manager in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Firm in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by Tower Road from its own resources unless otherwise a Fund level expense.

Although the Firm will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services create a potential conflict of interest between Tower Road and its Clients.

In selecting brokers and negotiating commission rates, the Firm may take into account the financial stability and reputation of brokerage firms, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, custodial and other services provided for the enhancement of the Firm's portfolio management capabilities, the size and type of the transaction, the difficulty of execution and the ability to handle difficult trades, and the operational facilities of the brokers and/or dealers involved (including back office efficiency) and the research, brokerage or other services provided by such brokers.

From time to time, Tower Road may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Firm or recommend investments in the Funds as investments to the clients of the broker-dealer. Tower Road may place portfolio transactions with brokers who have made such recommendations or provided capital introduction opportunities, if the Firm determines that it is otherwise consistent with seeking best execution. In no event will Tower Road select a broker-dealer as a means of remuneration for recommending the Firm or any other product managed by Tower Road (or an affiliate) or affording the Firm with the opportunity to participate in capital introduction programs.

When appropriate, the Firm may, but is not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

The Master Fund will maintain accounts with prime brokers, through which the Master Fund may execute trades, borrow funds in connection with trades, clear and settle its securities transactions and maintain custody of its securities. Further, the Master Fund may also be required (or find it advantageous) to maintain custody of certain of its non-U.S. securities at brokers or financial institutions located in non-U.S. jurisdictions.

The Firm or the General Partner is responsible for selecting brokerage counterparts and the Firm generally does not permit Client directed brokerage.

B. As of the date of this Brochure, Tower Road only executes transactions at the Master Fund and therefore trade order aggregation is not necessary; however, it may do this in the future to the extent it accepts additional Clients. If the Firm determines that the purchase or sale of a security is appropriate with regard to multiple clients, Tower Road may, but is not required to, purchase or sell such a security on behalf of such clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When aggregating client orders, Tower Road will follow the following guidelines:

- (i) no client will be favored over any other client;
- (ii) unless the timing of market orders is specified by Tower Road to be different among clients, each client that participates in an aggregated order will participate at the average share price for all Tower Road's transactions in that security on a given business day (or such shorter period, as applicable) or as specified in these procedures, and transaction costs will be shared *pro rata* based on each client's participation in the transaction;
- (iii) if the aggregated order is filled in its entirety, it will be allocated among accounts in accordance with Tower Road's investment allocation policy; and
- (iv) if the aggregated order is partially filled, (a) for situations involving only discretionary clients, the order will generally be allocated among these clients *pro rata* based on their relative net

asset values, or (b) for situations involving non-discretionary clients, such allocations will be made in accordance with Tower Road's investment allocation policy.

When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by Tower Road. As a result, certain trades in the same security for one client (including a client in which Tower Road and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Item 13
Review of Accounts

- A.** The Firm's investment professionals review the holdings and monitor the Fund's portfolio on a continuous and ongoing basis.
- B.** The Firm does not utilize any specific criteria to trigger a review of investments at this time.
- C.** Written audited financial statements will be provided to investors in each Fund, generally within 120 days of the Fund's fiscal year end. Tower Road will also distribute periodic written reports to investors which contain information such as attribution, holdings and performance, and market color, amongst other such topics.

Item 14
Client Referrals and Other Compensation

A. No one other than the Funds provides an economic benefit to the Firm for providing investment advice or other advisory services to the Funds, unless otherwise disclosed in the Brochure and/or the Governing Documents.

B. As of the date of this brochure, neither Tower Road nor any of its related persons compensates any person who is not a supervised person for Client or Fund referrals. However, from time to time, in the context of organizing a Fund, the Firm may compensate one or more placement agents for referrals of Fund investors. A prospective investor solicited by a placement agent or other third party will be advised of any such arrangement, including the receipt of fees. Similarly, if the Firm decides to engage a third party for separately managed account Client referrals, the relationship will be structured in accordance with the applicable cash solicitation rules and affected prospects will be informed of the arrangement, including the receipt of fees.

Item 15

Custody

Tower Road is subject to Rule 206(4)-2 under the Advisers Act, also known as the “Custody Rule,” which sets forth specific requirements relating to Client securities or certain other assets over which the Firm has actual or constructive custody. The Funds’ assets are held for safekeeping by an independent qualified custodian – typically the Funds’ prime brokers. The Firm ensures that any pooled investment vehicles’ financial statements audited by an independent auditor that is registered with, and subject to regular inspection by, the PCAOB, in accordance with U.S. Generally Accepted Accounting Principles, are delivered to the underlying investors in the Funds within 120 days of each Fund’s fiscal year end.

Item 16
Investment Discretion

Tower Road provides investment advice directly to the Funds on a discretionary basis in accordance with the investment guidelines set forth in the Governing Documents. Such authority generally permits the Firm (or in certain situations the General Partner) to determine, amongst other things, the securities to be bought and sold, the timing and nature of the transactions, the price at which a security is transacted, the brokers or dealers used to execute the transaction, and the custodians where Client assets are held.

Item 17
Voting Client Securities

Tower Road will vote Clients' securities (i.e., proxies) on their behalves. When the Firm accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its Clients. Absent special circumstances, proxies will generally be voted in line with company management, as the Firm believes these individuals are more appropriately suited to make decisions that impact the issuer. In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that the Firm maintains with persons having an interest in the outcome of certain votes, Tower Road takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict. Clients may contact Tower Road to request information about how the Firm voted proxies for that client's securities or to get a copy of the Firm's proxy voting policies and procedures.

Item 18
Financial Information

- A. The Firm does not require or solicit prepayment of more than \$1,200 in fees from any Fund six months or more in advance.
- B. The Firm does not believe any financial conditions currently exist that are reasonably likely to impair its ability to meet contractual or other commitments to the Funds.
- C. The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.