

DSAM Partners (London) Ltd

Part 2A of Form ADV

The Brochure

14-15 Conduit Street, 1st Floor
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This brochure provides information about the qualifications and business practices of DSAM Partners (London) Ltd (“DSAM” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at +44 (0)20 7016 8600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about DSAM is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure contains information about the Firm, since the last annual update the Firm closed down the DSAM Neutral Funds as the sole investor transferred to a managed account, otherwise there have been no material changes since its last annual update filed in March 2019.

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Item 4. Advisory Business

DSAM is a London-based firm with an affiliated U.S. entity, DSAM Partners (US) LLC (“DSAM US”), which is located in New York and which provides services related to marketing support, trade execution and investment research to DSAM and from where certain of DSAM’s principals may work when on business in the U.S. DSAM is ultimately majority owned by Guy Shahar and James Diner, although smaller interests in the parent entity have also been awarded to other personnel of the Firm. DSAM is also authorized and regulated by the Financial Conduct Authority (“FCA”) in the UK.

The Firm manages investments for a number of clients (including private funds and managed accounts) which generally follow the same investment strategy. The private funds (“Funds”) are formed as standard master-feeder structures, with the master funds and the offshore feeder funds domiciled in the Cayman Islands and registered with the Cayman Islands Monetary Authority (“CIMA”), while the onshore feeder funds are domiciled in Delaware. DSAM currently provides investment advisory services to two private fund families, DSAM Long/Short Equity Funds and DSAM+ Funds. A discussion of the investment strategies pursued by each is outlined in Item 8.

As of December 31, 2019, the Firm has approximately \$1,550,839,660 in assets under management.

Item 5. Fees and Compensation

Management Fees

DSAM charges its clients management fees, which are calculated as a percentage of assets under management, and in some cases a fee based on the performance of the account (“performance fee”). In its sole discretion, the Firm may waive the management fee partially or in its entirety for any investor, including related persons of DSAM, or enter into agreements known as side letters with certain investors which provide, inter alia, for reduced management fees and/or performance fees. Each of the Funds also pays an annual incentive fee/incentive allocation as outlined in Item 6 below.

Details of both management fees and performance fees/incentive allocations for each Fund are set out in detail in the respective management agreements and private placement memoranda (“PPM”) applicable to each Fund and summarised below.

DSAM Long/Short Equity Funds

The Class A & C Shares and A Partnership Interests of DSAM Long/Short Equity Funds pay an annual fee of 2 per cent of the net asset value, which will be charged monthly in arrears. The Class B Shares and B Partnership Interests will pay an annual fee of 1.5 per cent of the net asset value, charged monthly in arrears.

DSAM+ Funds

The Class A and C Shares and A Partnership Interests of DSAM+ Funds pay an annual fee of 3 per cent of the net asset value. The Class B Shares and B Partnership Interests will pay an annual fee of 2.25 per cent of the net asset value and the Class D shares will pay an annual fee of 1.5 per cent of the net asset value. All of which will be charged monthly in arrears.

Managed Accounts

Management fees for the current managed accounts advised by the Firm charge up to 1.0 per cent annually of the net asset value, charged monthly in arrears depending on the strategy pursued by the account, although lower amounts may be negotiated in DSAM’s sole discretion. All fee arrangements for managed accounts will be outlined in the respective investment management agreements for each managed account client.

Expenses

Private Funds

In addition to the management and performance fees, each of the feeder funds will be responsible for its pro rata share of the operating costs of the master fund in which it is invested. These expenses will include the costs of all transactions carried out by the master fund, or on its behalf, including: costs and expenses incurred by DSAM in sourcing and researching investment opportunities; costs and expenses associated with the administration of the fund, including depositary fees, charges and expenses of legal advisers and auditors, including in relation to due diligence on potential investments; brokers' commissions; borrowing charges on securities sold short and any issue or transfer taxes chargeable in connection with any securities transactions; all entity-level taxes and corporate fees payable to governments or agencies; directors' fees (if any) and expenses; interest on

borrowings, including borrowings from a prime broker and custodian; expenses incurred in soliciting subscriptions for shares as shall be approved by the directors; communication expenses with respect to investor services and all expenses of meetings of shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents; the cost of insurance (if any) for the benefit of the directors; litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business; the cost of research and trading software and user fees related thereto; all other organisational and operating expense.

For more information regarding fees and expenses charged by and to the funds, investors should refer to the relevant PPM for each Fund.

Managed Accounts

Clients with managed accounts will pay all expenses directly attributed to the management of the account, as well as their pro rata share of any expenses attributable to investments shared with other clients. These expenses are expected to include the costs of all transactions carried out on behalf of the client, including: costs and expenses incurred by DSAM in sourcing and researching investment opportunities; brokers' commissions; borrowing charges on securities sold short and any issue or transfer taxes chargeable in connection with any securities transactions; all entity-level taxes and corporate fees payable to governments or agencies; interest on borrowings, including borrowings from a prime broker and custodian; litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business; the cost of research and trading software and user fees related thereto. The expenses to be charged to any client will be outlined in the investment management agreement.

Redemption Fees

Investors in the Funds who redeem all or a portion of their investment within the first year of investment will pay a redemption fee in the amount of 5 per cent of the redemption proceeds for shares redeemed on or before the six month anniversary of investment, and 3 per cent thereafter. For the avoidance of doubt, redemptions will be considered on a “first-in first-out” basis.

Item 6. Performance Based Fees and Side-by-Side Management

As mentioned in Item 5, each of the feeder funds is subject to an annual performance fee (or incentive allocation for the onshore feeders) in the amount of 20% of the net realised and unrealised appreciation in the net asset value of each series of shares, subject to a high water mark and a hold back as outlined in each of the Funds' respective PPMs. In its sole discretion, the Firm waives the annual performance fee for all related persons of DSAM and may enter into agreements known as side letters with certain investors which provide for reduced performance fees.

Managed accounts will generally be charged an incentive fee of at least 20% of the net realised and unrealised appreciation in the net asset value of the account, subject to a high water.

The presence of incentive or performance-based compensation may create an incentive for DSAM to make investments that are riskier or more speculative than would be the case in the absence of such compensation. In addition, since the performance fees are calculated on a basis that includes unrealised appreciation of the Funds' net assets, such allocation may be greater than if it were based solely on realised gains. In addition, where certain clients of DSAM pay higher performance based compensation, this may create a conflict of interest whereby DSAM may be incentivized to allocate investment opportunities on a more favorable basis to those accounts paying higher performance based compensation. To mitigate this conflict, DSAM has adopted allocation procedures to ensure that all clients are treated fairly regardless of the nature of the compensation paid to DSAM.

Item 7. Types of Clients

Private Funds

As mentioned in Item 4, DSAM provides investment advisory services on a discretionary basis to two families of private funds, each of which is offered to U.S. investors in reliance on the exemption from registration contained in Section 3(c)(7) of the 1940 Investment Company Act, which requires the Funds to be offered on a private placement basis only to "qualified purchasers", as that term is defined in the 1940 Investment Company Act.

For DSAM Long/Short Equity Funds the minimum initial subscription or capital contribution is €1 million/US\$1 million/£1 million for Class A & C Shares and A Partnership Interests and €10 million/US\$10 million/£10 million for Class B Shares and B Partnership Interests, subject to the sole discretion of board of directors, or the general partner, of each Fund to accept subscriptions or capital contributions of a lesser amount.

For DSAM+ Funds, the minimum initial subscription or capital contribution is €1 million/US\$1 million/£1 million for Class A & C Shares and A Partnership Interests, €10 million/US\$10 million/£10 million for Class B Shares and B Partnership Interests and €200 million/US\$200 million/£200 million for Class D Shares. Subject to the sole discretion of board of directors, or the general partner, of each Fund to accept subscriptions or capital contributions of a lesser amount.

All share classes in the Funds are available in USD, Euro and GBP Sterling. In addition, shares are available as "Unrestricted Shares" or "Restricted Shares". Unrestricted Shares are only available to investors who are eligible to participate in "New Issues" (defined as any initial public offering of an equity security). Restricted Shares and Unrestricted Shares of the same designation have identical rights and privileges in all respects except that Restricted Shares will not generally participate in profits and losses attributable to New Issues.

Managed Accounts

DSAM also provides investment management services on a discretionary basis to large, institutional clients through segregated account mandates. Such accounts may mirror the investment strategy of any of the Funds or may be managed in accordance with a bespoke investment strategy, the objectives and restrictions of which will be outlined in the relevant investment management agreement with the client. Minimum account size and fee structures for managed account clients will be determined on a case by case basis and outlined in the investment management agreement.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy

DSAM Long/Short Equity Funds

The investment objective of DSAM Long/Short Equity Funds is to achieve superior absolute returns through a long/short equity strategy combining fundamental investing with short term trading. Whilst the funds will invest globally, the focus will be on Europe. DSAM will seek to optimize the investment process through the use of derivatives so as to maximize risk/reward combined with an inherent hedge against significant market corrections.

DSAM + Funds

The DSAM + Funds generally intend to follow the same investment strategy and program as DSAM Long/Short Equity Funds, but use 1.5 times the leverage used by DSAM Long/Short Equity Funds.

Methods of Analysis

In general, DSAM operates a European long/short equity strategy, with a focus on short term trading ideas and long term fundamental conviction investing in global equities. The hedge fund community is mostly very fundamental in its approach to investing or very short term trading oriented. The fundamental approach creates edge from deep analysis, good corporate access and insight whilst the short term trading community creates edge from trading experience, market feel, charting, positioning and investment community connections. DSAM's objective is to combine both approaches.

By combining the two approaches and using the 80/20 rule in one structure, the goal is to retain most of each strategy edge but actually magnify and extract the maximum payout. In this way, DSAM intends to create its own individual edge that attempts to maximise the returns from the fundamental ideas through active portfolio management and knowledge of market positioning. At the same time, the Firm incorporates fundamental analysis and corporate access into short term trading ideas and aims to enhance the returns of the trading strategies through better position sizing.

DSAM's investment process is optimised using derivative instruments with the goal of maximizing risk / reward and is combined with an inherent protection / hedge against significant market corrections. It is expected that at any given time the portfolio will have a European theme and at least 50% of the portfolio will be invested in European equity and equity-linked products with a bias towards real economy and financial sectors. Generally, the Firm seeks to invest in issues with a market capitalisation in excess of \$500 million. Typically, the core portfolio will comprise between 20 and 50 stocks at any one time, but could be higher or lower, and DSAM may utilise leverage, including through bank financing or through embedded leverage in derivatives.

Investment Risks

An investment in DSAM strategies involves a high degree of risk, including the risk that the entire amount invested may be lost. On behalf of clients, DSAM will invest in and actively trade financial

instruments using a variety of strategies and investment techniques with significant risk characteristics. An outline of the material risks associated with DSAM's investment strategy follows. Prospective investors in the Funds should consult the PPM for a full profile of the risks inherent in an investment in the Funds. No guarantee or representation is made that DSAM's investment program will be successful.

General Risks

Competition; Availability of Investment Strategies. The success of DSAM's investment activities will depend on DSAM's ability to identify investment opportunities as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by clients involves a high degree of uncertainty. No assurance can be given that DSAM will be able to locate suitable investment opportunities in which to deploy all of clients' assets or to exploit discrepancies in the securities and derivatives markets.

Product Risks

Systemic Risk. Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which clients interact on a daily basis.

Prime Brokers and Custodians. In relation to clients' right to the return of assets equivalent to those of clients' investments which the Prime Brokers and Custodians use for their own purposes (whereby they take full legal and beneficial title to such investments), clients will rank as one of the Prime Brokers and Custodians' unsecured creditors and, in the event of the insolvency of Prime Brokers and Custodians, clients might not be able to recover such equivalent assets in full, or at all. In addition, clients' cash held with the Prime Brokers and Custodians will not be segregated from the Prime Brokers and Custodian's own cash and will be used by the Prime Brokers and Custodians in the course of their business and clients will therefore rank as an unsecured creditor in relation thereto. Clients' assets may be held in one or more accounts maintained for clients by the Prime Brokers and Custodians or at other brokers, which may be located in various jurisdictions. Such local brokers and the Prime Brokers and Custodians, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to clients' assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of the Prime Brokers and Custodians or any of their sub-custodians, agents or affiliates, or a local broker, it is impossible to generalise about the effect of their insolvency on clients and its assets. Investors should assume that the insolvency of the Prime Brokers and Custodians or such other service providers would result in a loss to clients, which could be material.

Counterparty Risk. Some of the markets in which clients may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This

exposes clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing clients to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where clients has concentrated its transactions with a single or small group of counterparties. Subject to the investment restrictions contained herein, a client is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, clients have no internal credit function dedicated to the evaluation of the creditworthiness of its counterparties. The ability of clients to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by clients.

Collateral. Clients will have significant credit and operational risk exposure to its counterparties, which will require clients to post collateral to support its obligations in connection with transactions involving forwards, swaps, futures, options, and other derivative instruments. Generally, counterparties will have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of the collateral posted by clients in connection with such transactions. This could increase clients' exposure to the risk of a counterparty default since, under such circumstances, such collateral of clients could be lost or clients may be unable to recover such collateral promptly. Also, counterparties have an interest in maximizing the return from such collateral. This interest could conflict with the interests of clients in preserving and protecting its portfolio.

Exchange Rate Fluctuations; Currency Considerations. Whilst the functional currency of the Master Fund is the US Dollar, clients' assets will often be invested in securities denominated in other currencies and any income or capital received by clients will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of clients' portfolio and the unrealised appreciation or depreciation of investments. There is a cost to hedging (paying the dealer's bid-offer spread), therefore DSAM is unlikely to hedge out all exchange rate risks, in particular those related to potentially short-term unrealised appreciation or depreciation of investments. Furthermore, clients may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to clients at one rate, while offering a lesser rate of exchange should clients desire immediately to resell that currency to the dealer. Clients will conduct its currency exchange transactions either on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts.

Certain Derivative Investments. Clients may buy or sell (write) both call options and put options, and when it writes options, it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns securities of the same designation and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant designation and amount. Clients' option transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which clients has the right to benefit from price movements in a large number of

securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions clients may enter into. When Clients buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of clients' investment in the option (including commissions). Clients could mitigate those losses by selling short, or buying puts on, the securities as to which it holds call options, or by taking a long position (*e.g.*, by buying the securities or buying calls on them) in securities underlying put options. When clients sell (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered." If it is covered, clients would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss clients might suffer as a result of owning the security.

Swap Agreements. Clients may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease clients' exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities, commercial property indices, residential property indices or inflation rates. Swap agreements can take many different forms and are known by a variety of names. Clients is not limited to any particular form of swap agreement if consistent with Clients' investment objective and approach.

Swap agreements tend to shift clients' investment exposure from one type of investment to another. For example, if clients agrees to exchange payments in Euros for payments in US Dollars, the swap agreement would tend to decrease the Master Fund's exposure to Euro interest rates and increase its exposure to non-Euro currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of clients' portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from clients. If a swap agreement calls for payments by clients, clients must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by clients.

Futures Contracts. The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which clients' positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a

single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent clients from promptly liquidating unfavourable positions and subject clients to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Short Selling. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to clients of buying those securities to cover the short position. There can be no assurance that clients will be able to maintain the ability to borrow securities sold short. In such cases, clients can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Legal and regulatory restrictions may impact on the ability of clients to sell a security short and/or may require clients to disclose any short position with possible adverse consequences to clients.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by clients due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which DSAM would otherwise recommend, to the possible detriment of clients. Market illiquidity or disruption could result in major losses to clients.

Leverage and Financing Risk. Clients will be expected to leverage their capital when DSAM believes that the use of leverage may enable clients to achieve a higher rate of return. Accordingly, clients may pledge its assets in order to borrow additional funds from dedicated credit and banking facilities for investment purposes. Clients may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings and other forms of leverage which clients may have outstanding at any time may be substantial in relation to its capital. While leverage presents opportunities for increasing clients' total return, it has the effect

of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by clients would be magnified to the extent clients is leveraged. The cumulative effect of the use of leverage by clients in a market that moves adversely to clients' investments could result in a substantial loss to clients which would be greater than if clients were not leveraged.

In general, the use of short-term margin borrowings results in certain additional risks to clients. For example, should the securities pledged to brokers to secure clients's margin accounts decline in value, clients could be subject to a "margin call," pursuant to which clients must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of clients' assets, clients might not be able to liquidate assets quickly enough to satisfy their margin requirements. The financing used by clients to leverage its portfolio will be extended by securities brokers and dealers in the marketplace in which clients invest as well as other financial institutions. While clients will attempt to negotiate the terms of these financing arrangements with such brokers and dealers and other financial institutions, its ability to do so will be limited. Clients is therefore subject to changes in the value that the broker-dealer and other financial institutions ascribe to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such lender's willingness to continue to provide any such credit to clients. Because clients currently has no alternative credit facility which could be used to finance its portfolio in the absence of financing from broker dealers and other financial institutions, it could be forced to liquidate its portfolio on short notice to meet its financing obligations. The forced liquidation of all or a portion of clients's portfolio at distressed prices could result in significant losses to clients.

Hedging Transactions. Clients may utilise financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of clients' investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect clients's unrealised gains in the value of clients' investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in clients' portfolio; (v) hedge the interest rate or currency exchange rate on any of clients' liabilities or assets; (vi) protect against any increase in the price of any securities clients anticipates purchasing at a later date; or (vii) for any other reason that DSAM deems appropriate. For a variety of reasons, a client may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged.

The success of clients' hedging strategy will depend, in part, upon a correct assessment of the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of clients' hedging strategy will also be subject to DSAM's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for clients than if it had not engaged in such hedging transactions. Such an imperfect correlation may prevent clients from achieving the intended hedge or expose clients to risk of loss. DSAM may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and

risk management transactions requires skills complementary to those needed in the selection of clients' portfolio holdings.

Liquidity. DSAM will endeavour to maintain the liquidity of the portfolios consistent with the ability of the clients to withdraw from their Capital Accounts according to the terms of the agreement. Therefore, even in the event of a very large redemption, DSAM will strive to enable positions to be unwound without undue costs (in terms of bid-offer spreads etc.) to clients. However, liquidity is not a constant; at times particular financial instruments can become suddenly illiquid and, especially during a market crisis, even a wide range of instruments can become illiquid. Therefore, there can be no guarantee that clients could not suffer significant costs (in terms of bid-offer spreads etc) in unwinding positions, for example to meet redemption requests or because of a reduction or removal of clients' ability to leverage its portfolio.

Market Risks

General Economic and Market Conditions. The economies of countries differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Interpositioning. From time to time, clients may execute over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker used by clients may acquire or dispose of a security through a market-maker (a practice known as "Interpositioning"). The transaction may thus be subject to both a commission and a mark-up or markdown. DSAM believes that the use of a broker in such instances is consistent with its duty of obtaining the best price for clients. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or greater capability in connection with both accessing the market and executing a transaction.

Terrorist Action. There is a risk of terrorist attacks on the United States, the United Kingdom and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

Item 9. Disciplinary Information

There are no material disciplinary actions against DSAM to disclose.

However, we have been notified by Greek legal counsel that the Firm was sanctioned by the Greek regulator (the Hellenic Capital Market Commission, “HCMC”) for (what the regulator deemed were) short selling violations of Regulation (EU) 236/2012 in relation to trades in the stock of National Bank of Greece (“NBG”). DSAM has yet to receive notice from the regulator itself and so the case remains open.

As a matter of background, DSAM participated in capital raising transactions by the National Bank of Greece and Eurobank in May and June 2014. Following a rights issue, the Firm bought shares in both issuers and subsequently sold our long inventory. HCMC has alleged that these long sales were affected ahead of the time the shares obtained in the rights offering were admitted for trading and are therefore considering the long sales as “uncovered short sales”. In respect of the trades in NBG, the fine imposed was Euro 10,000 for each of the Funds and managed accounts managed by the Firm (total Euro 50,000). For the trades in Eurobank, the Firm has been fined a total of 75,000 Euro between the Funds. DSAM has communicated with the HCMC regarding payment of fines incurred, however, at the time of filing, has not received instruction on how to pay the fines. DSAM will pay the fines as soon as it receives the appropriate instructions from HCMC.

Item 10. Other Financial Industry Activities and Affiliations

DSAM is also authorized and regulated by the Financial Conduct Authority (“FCA”) in the UK.

DSAM Cayman GP Limited, an exempted company incorporated under the laws of the Cayman Islands, serves as the general partner of the onshore feeder funds. The directors are Grant Jackson, Gary Linford and Steve Chapman.

DSAM Cayman LP, a Cayman Islands exempted limited partnership, has been appointed as Manager to the Funds and its general partner is DSAM Cayman Limited. The directors of DSAM Cayman Limited are Patrick Agemian and Mark Fagan.

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

Code of Ethics and Personal Trading

DSAM has adopted a Code of Ethics and Personal Account Dealing (“PA Dealing”) Policy which requires all employees to obtain pre-approval from the Firm’s Compliance Officer or his designee for any personal account trade in order to avoid any conflict of interest arising between the trades to be placed by that individual and those placed by the Firm on behalf of its clients. The Firm has instituted a minimum holding period of 3 months for all non-FX PA Dealing trades (unless there is an exceptional circumstance and the Compliance Officer has approved a waiver of the minimum holding period). The Firm requires all employees to submit initial and annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1. A copy of DSAM’s Code of Ethics is available upon request by contacting the phone number on the front of this brochure.

Employee Participation in the Funds

Employees of the Firm who meet the relevant regulatory requirements may invest in the Funds. Employees invested in the Funds may have reduced or waived management and performance fees.

Item 12. Brokerage Practices

Best Execution

DSAM's delivery of best execution is a key element in its commitment to act in the best interests of its clients, as well as being a regulatory requirement. DSAM is required to take all sufficient steps to obtain the best possible result for its clients when it executes, places or transmits orders on their behalf, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order (referred to as the 'execution factors').

The Firm expects all staff to act in accordance with the policy below at all times. DSAM acts in the best interest of its client(s), when executing orders or placing orders with other entities for execution. To ensure that the Firm takes all sufficient steps to obtain the best possible result for its client(s) it has considered the relative importance of the execution factors, taking into account:

- the characteristics of the client;
- the characteristics of the client order;
- the characteristics of the financial instrument that are subject to that order; and
- the characteristics of the execution venues to which that order can be directed.

The execution factors, in order are:

- price;
- cost;
- speed;
- size and or nature of the transaction; and
- likelihood of execution and settlement.

DSAM primarily deals in liquid stocks in relatively small volume. Therefore, it has been concluded that price will merit a high relative important in obtaining the best possible result, although it is noted that the Firm may appropriately determine that other factors may be more important in certain situations.

To help DSAM achieve best execution, it has ensured that its brokers classify it as a "professional client" (as defined under FCA rules) therefore owing, in turn, DSAM a duty of best execution.

DSAM aims to exercise the same standards and operate the same processes across all the different markets and financial instruments on which it places trades. However, the diversity in those markets and instruments and the kind of orders that DSAM may carry out on behalf of its clients may mean that different factors have to be taken into account when assessing how to achieve best execution. For example, in some markets price volatility may mean that the timeliness of execution is a priority, where in other markets that have low liquidity, the fact of execution may itself constitute best execution. In other cases, the choice of venue may be limited because of the nature of the order or because of clients' other requirements

DSAM has established a Brokerage Committee that meets on a semi-annual basis to assess whether

the execution venues listed above continue to provide the best possible result for the Firm's clients. As part of this review, the Firm takes into consideration the annually published execution data made available by trading venue operators and other investment firms. The Brokerage Committee approves all execution venues (and their terms of engagement). Execution venues may only be added to the list with the consent of the Brokerage Committee and they will consider factors including but not limited to: credit and counterparty risk; the level of service; and markets covered during their due diligence process and ongoing review. Where only one execution venue is available to DSAM for a particular class of financial instrument, the Brokerage Committee will additionally consider whether the execution venue enables the Firm to consistently achieve the best results for its clients and whether any other suitable venues exist.

Only approved brokers, counterparties and execution venues may be used.

Payment for Research

DSAM is prohibited from accepting non-monetary benefits from a third-party that relate to the provision of portfolio management to a client unless they are acceptable minor non-monetary benefits or certain third-party research. Research bundled into transaction costs has been identified as amounting to a material inducement by European regulators and is prohibited.

Third-party research (other than research that has been identified as an acceptable minor non-monetary benefit) is not considered to be an inducement where it is paid from a separate research payment account ("RPA") controlled by the Firm on behalf of its clients.

The RPA is funded by specific research charges to clients set by DSAM in accordance with a pre-agreed research budget. The research budget is set by determining the forecast amount needed for third-party research to assist the Firm in making the best possible decisions for its clients. The budget must not be linked directly or indirectly to the volume and/or value of transactions executed on behalf of clients. The Firm's clients all have sufficiently similar mandates and investment objectives that investment decisions for each are informed by the same research inputs. As such, the research budget is set to include all clients. Costs will be allocated to clients on a pro-rata basis based on the value of each client's portfolio. Charges made to clients for the purposes of research may not be used to fund internally generated research or to cover any other purposes, such as charges for execution. The RPA will be billed on a quarterly basis.

The Firm must regularly assess its research budget and the quality of the research purchased. The total amount of research charges collected from clients must not exceed the research budget. If there is a surplus in the RPA at the end of a period, it must be rebated to clients or offset against the budget and research charges for the following budget period.

Trade Errors

The Firm will seek to detect trade errors prior to settlement and promptly correct and mitigate any losses incurred by clients. To the extent that the Firm is entitled to exculpation under the terms of the relevant investment management agreement in connection with any acts or omissions that result in any trade error losses, those losses will be borne out of the assets of the relevant client. Where any trade error loss is caused by a counterparty, such as a broker, then the Firm will seek to recover any such trade error losses from that counterparty.

Trade Aggregation and Allocation

The Firm's aggregation and allocation policy is designed to ensure that where the Firm aggregates a client transaction with that of another client and subsequently allocates the executed transaction, those allocations are applied in an equitable and consistent manner and in accordance with FCA requirements. The Firm will not aggregate transactions if they are likely to work to the disadvantage of any client whose order is to be aggregated.

The fully executed order, or partially filled orders, will be allocated amongst such clients on a pro-rata basis according to the assets of each client in proportion to the total assets of all clients whose trades have been aggregated. Allocation of aggregated orders shall be at the same average price for each client whose order was aggregated. When it is not possible to accurately pro-rate the fully executed order (or orders that are partially filled), the Chief Investment Officer will consider how the remaining lots or odd shares should be allocated between clients. This decision process is duly recorded by the Compliance Officer.

Item 13. Review of Accounts

DSAM's risk team reviews all portfolios on an ongoing trading day-to-day basis to ensure that they are in line with the investment objectives and restrictions outlined in the relevant PPMs and investment management agreements.

For investors in the Funds, DSAM provides a weekly estimate of the relevant Fund's net asset value, a monthly official NAV and performance report, and exposure reports on request.

The Funds' administrator, Citco Fund Services, provides each investor with an account statement for the relevant Fund on a monthly basis. In addition, each of the Funds is subscribed to Citco Fund Services' transparency reporting service which is also available to investors.

"Significant investors" in the Funds may receive access to additional information and reporting not available to all investors. While it is expected that any such significant investor would have committed its capital for an extended period, such capital may form a significant part of the relevant fund, especially during the initial phase, and the withdrawal of such capital which may not be subject to deferral, could have a material and adverse effect on the relevant fund, including the premature termination of the fund.

DSAM will provide managed account clients with reporting as outlined in the relevant investment management agreement for that client.

Item 14. Client Referrals and Other Compensation

DSAM does not pay referral fees to any third parties and does not receive any compensation for referrals to third parties.

Item 15. Custody

DSAM does not act as a custodian for client assets. All of DSAM's clients' accounts are held in custody by unaffiliated broker-dealers or banks. However, as a result of the General Partner and Manager of the Funds being affiliated with DSAM, DSAM is deemed to have custody of the Onshore Funds' assets. In compliance with the Custody Rule under the Investment Advisers Act of 1940, DSAM ensures that all of the Funds are audited on an annual basis in accordance with U.S. GAAP and that the audited financial statements distributed to all investors within 120 days of the relevant fund's fiscal year end.

With regard to managed accounts, DSAM may be deemed to have custody under the Custody Rule as it may debit its investment management and performance fees directly from the accounts of the clients. However, in accordance with the Custody Rule, appointment of a qualified custodian is a prerequisite to DSAM's management of managed accounts clients. Managed account clients must select and appoint their own custodian, whose services and fees will be separate from DSAM's fees. Managed account clients are also responsible for independently arranging for all custodial services, including negotiating custody agreements, fees, ISDA agreements and opening the necessary custodial and brokerage accounts. Such custodians must send quarterly account statements to the client which the client should review carefully.

Item 16. Investment Discretion

DSAM provides all advisory services on a fully discretionary basis. However, in the future, DSAM may enter into non-discretionary arrangements with new clients.

Item 17. Voting Client Securities

Generally, DSAM will vote proxies , unless it believes it is in its clients' best interests to not do so. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering whether it is appropriate for a vote to be cast and, if so, the optimal vote.

A copy of DSAM's proxy voting policies and procedures, as well as a record of all proxy votes cast is available to managed account clients and investors in the Funds, upon request.

Item 18. Financial Information

DSAM has never filed for bankruptcy and is not aware of any financial condition that is expected to materially impact the ability of the Firm to manage client accounts.