

Item 1 – Cover Page

**Firm Brochure
(Part 2A of Form ADV)**

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This “Brochure” provides information about the qualifications and business practices of Tsai Capital Corporation [“Tsai” or “Tsai Capital”]. If you have any questions about the contents of this Brochure, please contact us at 917-979-4821. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”), or by any state securities authority.

Tsai Capital Corporation is a registered investment adviser. Registration of Tsai Capital does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Tsai Capital Corporation also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. Tsai Capital’s CRD number is 137578.

March 2020

Item 2 – Material Changes

Item 11. Code of Ethics, Participation or Interest in Client Transactions:

This item was revised to further clarify that affiliated accounts managed by Tsai Capital Corporation are not subject to the Code of Ethics restrictions on employee personal trading accounts. **Please see Item 11 below for a detailed discussion of these matters.**

Item 12. Brokerage Practices:

This item was revised to replace a reference to Merrill Lynch with Stifel, Nicolaus & Company (“Stifel”) as the broker utilized for certain trading activity. This item was further revised to include a specific reference to Stifel as one of the brokers which may provide certain research and other support services to Tsai Capital Corporation. **Please see Item 12 below for a detailed discussion of these matters.**

COVID-19 Market Volatility Disclosure

Enclosed herein are assets under management as of December 31, 2019, the date of our most recent periodic account valuations. It is important to note that, due the unprecedented market volatility experienced in recent weeks due to the COVID-19 pandemic, assets under management as-of today’s date could be materially lower than the figures included in this Brochure. Upon a determination by Tsai Capital Corporation’s management, in its sole judgment, that market volatility has returned to historically normal levels over a sustained period of time, or upon some other event for which Tsai Capital Corporation is required by law to update assets under management in this document, Tsai Capital Corporation will amend this Brochure to provide updated figures.

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Item 4 – Advisory Business

Tsai Capital Corporation is organized as a Delaware corporation and has been in the business of providing investment management services since 1997. The sole person determining the investment advice provided by Tsai Capital Corporation is Christopher Tsai. Born in 1974, Mr. Tsai received a bachelor's degree from Middlebury College in 1997. In 1997, Mr. Tsai worked in Equity Research with Bear, Stearns & Co., Inc. Since 1997, Mr. Tsai has been President & Chief Investment Officer of Tsai Capital Corporation.

Tsai Capital Corporation manages some accounts with full discretionary authority and some accounts with limitations placed upon discretionary authority. As of December 31, 2019, Tsai Capital Corporation managed approximately \$65 million in assets on a discretionary basis, consisting of one unregistered pooled investment vehicle and a number of separately managed accounts.

Item 5 – Fees and Compensation

Separately managed accounts

Tsai Capital Corporation charges an annual 2.0% for the first \$5,000,000 in net assets under management, 1.5% for the second incremental \$5,000,000 in net assets under management, and 1.0% for the third incremental \$5,000,000 in net assets under management. Fees for assets under management exceeding \$15,000,000 are negotiable. Accounts are billed quarterly in arrears, based on the net assets of the client's account at the end of each quarter, including accrued dividends. Fees are negotiable.

Clients will also incur brokerage and other transaction costs in connection with their investment accounts.

Tsai Capital Fund

With respect to each Member holding Interests, Tsai Capital receives a monthly asset-based fee, calculated and payable in arrears as of the close of business in New York (normally 4:00 p.m. Eastern time), on the last business day of each calendar month in an amount equal to 2% *per annum* of the NAV of each such Member's Capital Account. The Management Fee is computed prior to the accrual of the Performance Allocation for the month or the Performance Allocation for the Performance Period.

The Management Fee is adjusted *pro rata* for any Capital Contributions, withdrawals or distributions during any calendar month, as applicable. The Tsai Capital may waive, modify or impose different Management Fees with respect to any Member and may share the Management Fee with any other person or entity in the sole discretion of the Tsai Capital including affiliates or employees of the Tsai Capital.

As more fully described in the Fund's Private Placement Memorandum, the Funds will generally bear expenses in connection with its trading and investment activities, which may include, without limitation, brokerage costs (which vary depending on a number of factors, including the broker utilized for the transaction and any research-related services provided by such broker, the particular security or other instrument traded, and the volume and size of the transaction), execution, give-up, exchange, clearing, clearinghouse, principal, and regulatory commissions and fees, research fees and expenses (including fees paid to third-party consultants, finder's fees paid for the introduction of transactions, interest and

borrowing charges on margin accounts, borrowed money, investments, and other indebtedness, bank, broker, and dealer service fees, and related expenses and costs.

The Fund also bear additional expenses associated with organizing, administering and continually offering the Funds. Such expenses include legal, compliance, marketing, accounting, escrow, auditing, recordkeeping, administration, fund accounting, computer, and clerical expenses, insurance, expenses incurred in preparing reports and tax information to investors and regulatory authorities, expenses of printing and dispatching offering materials and reports to investors, duplicating expenses, mailing costs, courier costs and filing fees, where applicable. To the extent applicable, salaries, office rent, travel expenses and potentially other expenses are considered to be incorporated into the aforementioned expense categories.

Please see Item 12 below for a more detailed discussion of brokerage expenses and practices.

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

Tsai Capital Corporation does not charge performance-based fees to its separately managed accounts.

Tsai Capital and/or affiliated control entity may receive performance-based compensation from the Tsai Capital Fund. The lack of performance-based compensation from clients other than the Tsai Capital Fund may create an incentive for Tsai Capital to direct the best investment ideas to, or to allocate or sequence trades in favor of, the Tsai Capital Fund.

Tsai Capital has procedures designed and implemented to provide reasonable assurance that all clients are treated fairly. Specifically, Tsai Capital maintains procedures designed to address the allocation of investment opportunities among clients as well as the manner in which investments are valued. In addition, the Fund retains a third-party administrator which independently calculates, among other things, profit/loss allocations, management fees and performance-based compensation.

Although Tsai Capital may attempt to purchase the same of similar securities for the Tsai Capital Fund and the separately managed accounts, there is no guarantee that this may be the case. Separately managed accounts may have different objectives and risk tolerances than those of the Fund. Additionally, investment performance of a separately managed account may differ from the investment performance of the Tsai Capital Fund due to numerous factors, including, but not limited to, (i) the frequency of additions and withdrawals of assets to applicable accounts; (ii) different counterparty fees and expenses associated with applicable accounts; (iii) relative differences in account balances; (iv) trading following additions or withdrawals of capital to an account; (v) tax, legal or regulatory requirements; and (vi) any other risk parameters, instructions or restrictions imposed by a particular client.

Item 7 – Types of Clients

Separately managed accounts

Tsai Capital Corporation manages separate account portfolios for a range of clients, including corporations, estates, individuals and trusts. The minimum account size is \$1,000,000 in the case of

individuals and \$5,000,000 in the case of institutions, though this minimum may be waived in certain instances.

Tsai Capital is under no obligation to accept any client and may decline acceptance of a client in its sole discretion.

Tsai Capital Fund

As previously noted, Tsai Capital also manages the Tsai Capital Fund. Admission as a Member in the Fund is not open to the general public. Interests are offered to sophisticated persons who understand the nature of the investment, do not require liquidity in their investment in the Fund and can bear the economic risk of the investment. The Fund is intended to be of interest primarily to U.S. domestic taxable investors. The Fund may establish one or more feeder funds from time to time to invest in the Fund, without notice to, or the consent of, any Member. Any such feeder will be offered pursuant to a separate offering memorandum.

The Interests are intended to be exempt from registration under the Securities Act, pursuant to Regulation D thereunder and the Fund is intended to be excepted from the definition of “investment company” for most purposes (including registration) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to Section 3(c)(1) thereunder. To this end, the Fund is offering Interests only to prospective investors that meet all of the following definitions: (a) “accredited investor” within the meaning of Regulation D under the Securities Act; and (b) “qualified client” within the meaning of Rule 205-3 under the Tsai Capitals Act of 1940, as amended. Members meeting all of those requirements are referred to herein as “Eligible Investors.” Certain investors who qualify as “knowledgeable employees” may also be permitted to invest, generally provided that they are also “accredited investors”.

The minimum initial investment in the Fund is \$1,000,000, though this minimum may be waived in certain instances.

The Tsai Capital Fund is under no obligation to accept any investor and may decline acceptance of an investor for any reason.

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

Separate Account Strategies

Tsai Capital seeks the long-term growth and preservation of capital. We pursue a value-oriented investment approach to identify undervalued or misunderstood investment situations, preferably in high-quality businesses, on a global basis. Primary attention is given to finding individual securities that offer significant upside potential and a margin of safety at the time of purchase.

We invest separate account assets predominantly in the equity of growth companies, but we may also purchase debt and other income securities, exchange-traded funds, options, private securities and other related investments.

Tsai Capital believes a widely-diversified portfolio managed by otherwise reasonably competent managers who are less informed about their investments is far more risky than a relatively concentrated portfolio managed by the same managers in which every position is well researched and well understood. Therefore, Tsai Capital clients must be willing to accept temporary and even prolonged volatility. We focus principally on the chances of permanent loss of capital instead of on mere changes in market quotations and period-to-period performance.

In choosing individual securities, Tsai Capital ignores short-term volatility and instead focuses on long-term potential for capital appreciation. We generally do not engage in short-term trading on behalf of our clients in order to protect short-term performance. Instead, we rely on discounted valuations in our efforts to reduce the risk of overall portfolio loss over the long term. We believe that purchasing securities at discounts to our estimate of intrinsic value also helps to maximize potential profitability.

Tsai Capital Fund Strategies

The Fund generally takes long positions in equity and equity-related securities in companies that Tsai Capital believes are fundamentally strong and attractively valued. Tsai Capital seeks to invest in prominent domestic and international growth companies that have an extended history of rising dividends and earnings. The Fund's long positions are constructed without regard to any particular benchmark and will generally consist of a limited number of positions, but may be more or less depending upon market conditions and a variety of other factors.

The Fund also may opportunistically short equities and potentially other securities. In particular, the Fund may take short positions, for both hedging and speculative purposes, in index-based securities and those of individual companies that Tsai Capital believes are fundamentally weak and overvalued by the market. The relative mix between long and short positions may vary over time depending on the investment opportunities that are identified and Tsai Capital's view concerning the prospects for global economies and overall direction of global markets. Tsai Capital may utilize technical analysis in its research process. The Fund may also invest in, and trade on a short-term basis, exchange traded funds (securities- and commodities-based), exchange traded notes and options. In addition, the Fund may also invest in private equity and other illiquid investments.

Tsai Capital may also purchase or sell exchange traded options for hedging purposes and/or as part of the Fund's objective of obtaining exposure to the equity markets.

There is no material limitation on the securities or instruments in which the Fund may invest, the markets in which the Fund may trade, the market sectors in which the underlying issuers may operate, or the trading strategies that the Fund may utilize.

Methods of Analysis

Tsai Capital employs fundamental analysis in order to achieve the long-term growth and preservation of capital. Fundamental analysis involves analyzing a company's operations, financials, management, culture, competitors, value chain, and other factors. The goal of fundamental analysis is to form a thesis about a company's likely future, and in turn, an estimate of its intrinsic value. Fundamental analysis does not attempt to anticipate market movements.

Principal Risks

Below is a summary of potentially material risks for each significant Tsai Capital investment strategy used, the methods of analysis used, and/or the particular types of investments that a Fund or separately managed accounts may invest in. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment. Investors should ultimately refer to the applicable Memorandum or investment management agreement, as the case may be, for detailed disclosures regarding their investments.

All investing involves a risk of loss that investors should be prepared to bear, including the risk that the entire amount invested may be lost. The investment strategies offered by Tsai Capital could lose money over short or long periods of time. Identifying undervalued securities and other assets is difficult, and there are no assurances that Tsai Capital's investment strategies will succeed. Tsai Capital cannot give any guarantee that it will achieve the investment objectives it establishes for a client or that any client will receive a return of its investment.

Special Situations: Tsai Capital may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies or sovereign debt involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, Tsai Capital may be required to sell the investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the clients may be invested, there is a potential risk of loss by clients or their entire investments in such companies. In connection with such transactions (or otherwise), the Tsai Capital may purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price or interest rate receivable with respect to a when-issued security can be fixed when Tsai Capital enters into the commitment. Such securities are subject to changes in market value prior to their delivery.

Restrictions on Trading Due to Status. It is possible that Tsai Capital may deem it necessary to seek representation on the Board of Directors of, or on official or unofficial creditors committees for, a company. Such representation could, however, cause Tsai Capital and/or its clients to be deemed to be "insiders" or "fiduciaries" of the distressed company or of a creditors committee, in which case the ability of Tsai Capital to trade in the securities and claims of such company could be restricted.

Concentration of Holdings. Client accounts will hold a discreet number of relatively large (in relation to their capital) investment positions in the same or similar financial instruments, markets or industries or that individually or in the aggregate exhibit substantial price volatility, with the result that a loss in any such position could have a material adverse impact on portfolio values. Further, exposure to credit and market risks associated with such financial instruments, markets or industries will also be increased.

Hedging Strategies. Tsai Capital may, but is not required, to attempt to hedge portfolio positions and, for various reasons, may determine not to do so. Furthermore, Tsai Capital may not anticipate a particular risk so as to hedge against it. Tsai Capital may utilize financial instruments, both for investment purposes and for risk management purposes, in order to (i) protect against possible changes in the market values of clients' investment portfolio resulting from fluctuations in the commodity markets, (ii) protect the unrealized gains in the value of client investment portfolios, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment, (v) hedge the interest rate or currency exchange rate on any liabilities or assets, (vi) protect against any increase in the price of any commodities Tsai Capital anticipates purchasing at a later date or (vii) for any other reason that Tsai Capital deems appropriate.

Leverage and Financing Risks. Tsai Capital may use leverage in connection with its investment program. Accordingly, Tsai Capital may pledge client assets in order to borrow additional funds for investment purposes. Leverage may also be created through the use of options, short sales, swaps, credit default swaps, forwards and other derivative instruments. While leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment could be magnified to the extent leverage is utilized.

Portfolio Company Leverage. Tsai Capital's investments may include portfolio companies whose capital structures have significant leverage. The leveraged capital structure of such portfolio companies will increase the exposure of the portfolio companies to adverse economic factors, such as rising interest rates, downturns in the economy or deteriorations in the condition of such company or its industry. In the event that such a portfolio company is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness, the value of the investment in such company could be significantly reduced or even eliminated.

Event-Driven Investing. Event-driven investing requires making predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value and fail to implement it, resulting in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a Federal or state regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable U.S. Federal or state securities laws; and

(vii) inability to obtain adequate financing. Because of the inherently speculative nature of event-driven investing, the results of operations may be expected to fluctuate from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

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 seller 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 Tsai Capital of buying those securities to cover the short position. There can be no assurance that Tsai Capital will be able to maintain the ability to borrow securities sold short. In such cases, Tsai Capital 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.

Counterparty Insolvency. Client assets may be held in one or more accounts maintained by counterparties. There is a risk that any of such counterparties could become insolvent and/or subject to insolvency proceedings. The insolvency of counterparties is likely to impair the operational capabilities of Tsai Capital and limit access to client assets. There also exists the risk that the recovery of client assets from counterparties could be delayed or be of a value less than the value of the instruments or assets originally entrusted to such counterparties.

In addition, Tsai Capital may use counterparties located in jurisdictions outside the United States. Such local counterparties are subject to the laws and regulations in foreign 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 client 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 a counterparty, it is impossible to generalize about the effect of their insolvency on clients' assets.

Exchange Rate Fluctuations; Currency Considerations. Tsai Capital may invest a portion of clients' assets in the instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. Tsai Capital may hedge its non-U.S. currency exposure, but it may not always be practicable or economical to do so. Moreover, Tsai Capital may choose not to enter into hedging transactions in order to obtain the non-U.S. currency exposure associated with such investments. To the extent unhedged, the value of clients' positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which Tsai Capital makes its investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of clients' investments in their local markets and may result in losses to client accounts.

Furthermore, accounts may incur costs in connection with conversions between various currencies. Non-U.S. currency exchange dealers realize 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 Tsai Capital at one rate, while offering a lesser rate of exchange should Tsai Capital desire immediately to resell that currency to the dealer. Tsai Capital will conduct 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 to purchase or sell non U.S. currencies. It is anticipated that most currency exchange transactions will occur at the time non-U.S. investments are purchased and will be executed through the local broker or custodian.

Non-U.S. Investments. Tsai Capital may invest a portion of its assets in securities of non-U.S. corporations, which are traded in non-U.S. markets. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

Investing in the securities of companies in non-U.S. countries may involve certain considerations not usually associated with investing in securities of U.S. companies or U.S. markets or on U.S. exchanges, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict Tsai Capital's investment opportunities. In addition, accounting and financial reporting standards that prevail in such countries generally are not equivalent to U.S. standards and, consequently, less information is available to investors in companies located in such countries than is available to investors in companies located in the U.S. There is also less regulation, generally, of the securities and commodities markets in such countries than there is in the U.S.

Options. The Funds and separately managed accounts may incur risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option. Options may be exchange traded or traded over-the-counter (off the exchange markets) directly with dealers. To the extent an over-the-counter option is a tailored investment for Tsai Capital, it may be less liquid than an exchange-traded

option. Further, as with other derivative investments, over-the-counter options are subject to counterparty risk. The Master Fund will have the credit risk that the seller of an over-the-counter option will not perform its obligations under the option agreement if the Master Fund exercises the option.

Equity Securities. Tsai Capital may invest in the securities of small and development-stage companies, which securities may be subject to more abrupt or erratic market movements than securities of larger, more established companies, because there is less marketplace information regarding smaller companies, such securities typically are traded in lower volume and such companies typically are subject to a greater degree to changes in earnings and prospects.

Liquidation of Securities. Dispositions of securities may be effected through, among other methods, open market sales, inclusion in public offerings in which insiders may liquidate their holdings, or divestiture through privately negotiated sales to private sector buyers. Timing of the disposition of securities is critical to realizing optimal returns on investments, and depends on the issuer's performance, the judgment of controlling investors as to value, financial market conditions and opportunities, and governmental restrictions or incentives, some or all of which may influence the possibility or profitability of such disposition. There can be no assurance that there will be a market for the holdings when Tsai Capital believes it appropriate to dispose of them.

Derivatives; Swaps. Tsai Capital may purchase and sell derivatives. "Derivatives" are financial instruments or contractual arrangements whose economic results depend upon, or are derived by reference to, other securities (equity or fixed income), commodities, currencies, interest rates, indices, or other assets, the relative values of two or more items or assets, economic or other activities, or other items. Some derivatives are standardized instruments, such as futures contracts or options traded on recognized exchanges. Other derivatives are directly negotiated contractual arrangements with one or more counterparties. Terms, conditions and characteristics of derivatives vary widely, and new structures and products are developed continually. Such products are often complex, involve significant leverage, and are dependent upon credit and other considerations affecting the ability or willingness of the counterparties with which Tsai Capital deals to perform as anticipated. In general, derivatives involve a high degree of risk (including the possibility of total loss) as well as the opportunity for gain.

Swap transactions are privately negotiated, non-standardized derivative agreements between Tsai Capital and a counterparty to exchange or swap investment cash flows or assets at specified intervals in the future measured by different commodities or other items, indices, or prices, with payments generally calculated by reference to a principal ("notional") amount or quantity. Swap trading is similar to the spot and forward markets in that banks, broker-dealers or their affiliates generally act as principals in the swap markets, and Tsai Capital is subject to risks similar to those described in the discussion of the spot and forward markets, below.

Other Derivative Instruments. Tsai Capital may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Fund and legally permissible. Special risks may apply to instruments that are invested in by Tsai Capital in the future that cannot be determined at this time or until such instruments are developed

or invested in. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Emerging Market Investments. Tsai Capital may invest a portion of its assets in securities of companies based in emerging countries or issued by the governments of such countries. Emerging markets have different clearance and settlement procedures than those in developed markets, and in certain financial markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when a portion of the assets of each Fund is uninvested and no return is earned thereon. The inability to make intended securities purchases due to settlement problems could cause a miss potential investment opportunities. Inability to dispose of securities due to settlement problems either could result in losses due to subsequent declines in the value of the securities or, if entered into a contract to sell the securities, could result in possible liability to the purchaser.

Foreign investment in certain instruments is restricted or controlled to varying degrees in certain emerging markets. These restrictions or controls may at times limit or preclude foreign investment in certain emerging market instruments and increase the costs and expenses. Certain emerging markets require prior governmental approval of investment by foreign persons, limit the amount of investment by foreign persons in a particular company, limit the investment by foreign persons only to a specific class of securities of a company that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries, or impose additional taxes on foreign investors. Certain emerging markets may also restrict investment opportunities in issuers in industries deemed important to national interests. Additionally, certain emerging markets may require governmental approval for, or otherwise restrict, the repatriation of investment income, capital, or proceeds of sales of securities by foreign investors.

Item 9 – Disciplinary Information

Tsai Capital Corporation and Christopher Tsai have no legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Tsai Capital Corporation and Christopher Tsai have no other financial industry activities or affiliations to disclose.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions

To avoid any potential conflicts, client transactions always receive priority over any transactions on behalf of Tsai Capital Corporation or its officers and employees.

Tsai Capital manages a proprietary account that may, from time to time, purchase, sell or hold positions in securities that may also be held or have been or will be purchased or sold for the accounts of Tsai Capital's clients. The proprietary account may also trade any particular security at or about the same time that the security is traded for client accounts. Where feasible, the Tsai Capital proprietary account may receive the average share price received by other client accounts on a particular transaction. This creates a potential conflict of interest in that, should client accounts receive only a partial fill on a particular trade,

the Tsai proprietary account may receive a pro-rata share of that partial fill. However, under no circumstances will the proprietary account receive preferential treatment over client accounts.

It is important to note that Tsai Capital Corporation manages the accounts of Christopher Tsai as well as certain of his family members. Where Tsai Capital Corporation serves as an investment adviser to affiliated accounts, such accounts are treated in a manner similar to any other accounts, and under no circumstances will affiliated accounts be provided preferential treatment over other accounts managed by Tsai Capital Corporation, with the exception that Tsai Capital Corporation may charge different and/or reduced advisory fees to such accounts.

Tsai Capital Corporation has adopted a Code of Ethics to effectuate the purposes and objectives of Sections 204A and 206 of the Tsai Capitals Act of 1940 and Rule 204-2 under the Act. The Code of Ethics sets forth Tsai's standard of business conduct as a fiduciary and requires that all employees comply with the federal securities laws.

From time to time, Tsai personnel may purchase or sell securities of their personal accounts that are also recommended to advisory clients. To avoid any potential conflicts, client transactions always receive priority over any transactions on behalf of Tsai or any of its related persons. In addition, Tsai personnel may not purchase and sell the same security as a client on the same day that the security is purchased or sold for the client. Additionally, restrictions apply to securities transactions executed by Tsai personnel within one day of either side of the client trade. Restrictions pertaining to trades on one day of either side of a client trade are subject to certain de minimus provisions and may be waived upon consent of Tsai's Chief Compliance Officer based on individual circumstances. The trading restrictions noted above do not apply to (1) personal securities transactions that are not reportable under Tsai's Code of Ethics; and (2) transactions in exchange traded funds. Please note that affiliated accounts actively managed by Tsai Capital are not subject to the restrictions set forth in this paragraph, but instead are managed as discussed two paragraphs above.

If you would like a copy of the Tsai Capital Corporation Code of Ethics, please send a request to Tsai Capital Corporation, 590 Madison Avenue, 21st Floor, New York, NY 10022, or send an email to invest@tsaicapital.com.

Item 12 – Brokerage Practices

As a matter of policy, and unless otherwise directed by the client, Tsai normally places trades for each separately managed account with the broker that maintains custody of the account. With respect to the Tsai Capital Fund, trades are normally executed through the Fund's Prime Broker. If a separately managed account is held at a custodian that is not a broker-dealer, Tsai will generally execute transactions with Stifel, Nicolaus & Company ("Stifel"), unless otherwise directed by the client. Within these parameters, Tsai Capital makes reasonable efforts to negotiate the cost of trades. It should be noted, however, that Tsai deems these arrangements to be "client directed brokerage" and is limited in its ability to negotiate best price and best execution for each transaction.

Tsai Capital does not engage in the use of third-party soft dollar research services. Tsai Capital may, however, be provided with proprietary research, client and trade reporting functionalities, articles and

other data regarding economic and other information and other research items and data capabilities from brokers, including Stifel, to whom clients direct their trading activities.

Brokerage and other transaction costs will occur and will be the paid solely by the clients, separately from their advisory fee.

Item 13 – Review of Accounts

The performance of all accounts is reviewed and monitored no less frequently than monthly and on an as-needed basis. There are no different levels or different triggering factors regarding the review and monitoring of accounts. Factors utilized for review and monitoring include: substantial prices/value changes; significant news regarding a particular investment; and changes in sector or market outlook. All accounts are reviewed by Christopher Tsai, President & Chief Investment Officer.

All separately managed account holders receive (1) monthly brokerage statements, and (2) other information sent by Tsai Capital Corporation provided upon client request. Fund investors receive a monthly statement of activity from the Fund's Administrator. Both separate account holders and Fund investors receive an annual investor letter.

Item 14 – Client Referrals and Other Compensation

Tsai Capital Corporation may make cash payments to affiliated parties, or to unaffiliated third parties for recommending the use of its advisory services to such third party's client. Such cash payments are expected to be paid pursuant to a written agreement between Tsai Capital Corporation and the other party. The other party will provide each prospective client with a copy of Tsai Capital Corporation's Brochure and a disclosure document that sets forth the terms of the arrangement and the fees to be paid. Fees charged to the clients who are referred will not be higher than those charged to clients who are not.

Item 15 – Custody

Tsai Capital is generally deemed to have constructive custody of the assets of the Tsai Capital Fund. However, it is not required to comply (or is deemed to have complied) with certain requirements of Rule 206(4)-2 under the Advisers Act (the "Custody Rule") with respect to the Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that (i) each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and (ii) the Funds distribute their audited financial statements, prepared in accordance with U.S. GAAP, to all its investors within 120 days of the end of their fiscal year.

Item 16 – Investment Discretion

Tsai Capital, through its investment management agreements, generally maintains full investment discretion with respect to the Tsai Capital Fund and the separately managed accounts, subject to any limitations specified in the relevant investment management agreement. In its role as a discretionary investment manager, Tsai Capital generally has the full authority to choose which investments are purchased or sold and the quantities of each investment to be purchased and sold.

Item 17 – Voting Client Securities

As a general policy, Tsai Capital Corporation does not vote proxies on behalf of its separately managed account clients. It is Tsai Capital's policy to direct proxy voting requests to its separately managed account clients. Tsai believes that these clients are best positioned to determine whether they wish to vote on particular matters and, if so, how the matters should be voted upon.

Given the structure of the Tsai Capital Fund, including its structure as a pooled investment vehicle, it is impractical for Tsai Capital to direct proxy voting matters to Fund investors. Consequently, Tsai Capital votes proxies for securities held by the Fund.

The SEC adopted Rule 206(4)-6 under the Advisers Act, which requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. In compliance with such rules, Tsai Capital has adopted proxy voting policies and procedures.

With the aim of ensuring that proxies are voted in the best interest of clients, Tsai Capital has engaged Institutional Shareholder Services, Inc. ("ISS"), as its independent proxy voting service to handle voting research and recommendations as well as the administrative mechanics of proxy voting.

There may be occasions where the voting of proxies may present an actual or perceived conflict of interest between Tsai Capital and the Fund. Tsai Capital will not vote proxies contrary to the best interest of the Fund due to business or personal relationships with an issuer's management, participants in proxy contests, corporate directors or candidates for corporate directorships, or where Tsai Capital or an employee may have a personal interest in the outcome of a particular matter before shareholders. When there exists an actual or potential conflict of interest, Tsai Capital addresses these conflicts or appearances of conflicts by ensuring that proxies are voted in accordance with the recommendations made by ISS.

Investors in the Tsai Capital Fund may contact Tsai Capital to obtain information on how proxies were voted for the Fund and to request a copy of Tsai Capital's proxy voting policies and procedures.

Item 18 – Financial Information

Tsai does not require or solicit prepayment of more than \$1,200 in fees six months or more in advance and has not been subject to a bankruptcy petition within the past ten years. Additionally, Tsai does not have any financial condition that is likely to impair its ability to fulfill its contractual obligations.

Item 19 – Requirements for State-Registered Advisers

Not applicable