

**WhiteHawk Capital Partners LP**

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This brochure provides information about the qualifications and business practices of WhiteHawk Capital Partners LP. If you have any questions about the contents of this brochure, please contact WhiteHawk Capital Partners LP's Chief Compliance Officer, Harry Chung, at (818) 489-1503 or by email at [hchung@whitehawkcapiatal.com](mailto:hchung@whitehawkcapiatal.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about WhiteHawk Capital Partners LP is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any reference to WhiteHawk Capital Partners LP as a "registered investment adviser" or as being "registered" does not imply a certain level of skill or training.

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**Item 2 - Material Changes**

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Since WhiteHawk's initial filing for registration as an investment adviser on February 24, 2020, WhiteHawk appointed Harry Chung as the new CCO. There are no additional material changes to report at this time.

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**Item 4 - Advisory Business**

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WhiteHawk Capital Partners LP (“WhiteHawk” or the “**Adviser**”) is a Delaware limited partnership formed and founded in February 2020. The Adviser is registering as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). The Adviser’s principal place of business is in Encino, California and its principal owners are John Ahn, Robert Louzan and Harry Chung.

WhiteHawk provides discretionary investment management services to pooled investment vehicles (each a “Fund” and collectively, the “Funds”). The Funds will pursue a direct lending strategy in accordance with its confidential private placement memorandum, limited partnership agreement and other related offering documents, as amended from time to time (collectively with similar offering documents of any other Funds, the “**Offering Documents**”). WhiteHawk may also manage additional Funds, including by serving as a sub-adviser thereto. Should WhiteHawk provide advisory services to any additional Fund, WhiteHawk will do so in accordance with the relevant offering documents of such Fund or sub-advisory agreement in respect of such Fund, as the case may be. Fund investors generally cannot place investment restrictions on the Fund’s investment strategy or the Adviser’s investment decisions in respect thereof.

The Adviser may also manage separately managed accounts (each, a “**Separate Account Client**” and collectively with the Funds, the “**Clients**”), including by serving as a sub-adviser to the Separate Account Clients. Should WhiteHawk manage any Separate Account Client assets as the investment adviser or the sub-adviser thereto, WhiteHawk will do so in accordance with the relevant investment management agreement or sub-advisory agreement, as the case may be (each, an “**IMA**”), which will be tailored to the individual needs of the applicable Separate Account Client. Separate Account Clients may place restrictions on which investments the Adviser may acquire pursuant to the applicable IMA.

WhiteHawk does not participate in wrap fee programs.

As of June 18, 2020, WhiteHawk manages \$570,749,087 in regulatory assets on a discretionary basis. WhiteHawk does not manage any assets on a non-discretionary basis.

**Item 5 - Fees and Compensation*****General***

WhiteHawk generally receives a management fee and carried interest in connection with advisory services provided to its Clients. WhiteHawk may receive additional compensation in connection with certain management and other services performed for portfolio companies of its Clients and such additional compensation may offset all or a portion of the management fees otherwise payable to WhiteHawk in accordance with the relevant Offering Documents or IMA, as the case may be. In addition, in certain circumstances WhiteHawk may receive compensation for certain management and other services performed in connection with investments made by co-investors in the portfolio companies of its Clients.

The actual fees and expenses applicable to each Client are set forth in detail in each such Client’s Offering Documents or IMA, as the case may be. The below is merely a summary of such fees and expenses.

***Management Fee***

WhiteHawk's fees and compensation arrangement may vary among the Funds. The specific terms of such arrangements are established by WhiteHawk, and as set forth in each Fund's Offering Documents. WhiteHawk generally charges a management fee (the "**Management Fee**") equal to 1.5% (per annum) of the aggregate capital commitments of the limited partners of each Fund that are not designated as "affiliated partners" by the General Partner, as of each Management Fee payment date occurring before the earliest to occur of the end of the Fund's investment period and certain other events as further disclosed in each Fund's Offering Documents. Beginning as of the first Management Fee payment date after the earliest to occur of the end of each Fund's investment period and certain other events as set forth in each Fund's Offering Documents, the Management Fee with respect to limited partners that are not designated as "affiliated partners" by the General Partner will equal 1.5% (per annum) of the net invested capital of the Fund. The Management Fee will be payable quarterly in arrears during the term of the Fund.

The Management Fee for each Fund will commence as of the initial closing of the Fund, regardless of when a limited partner is actually admitted to the Fund. Limited partners admitted in subsequent closings will be charged a Management Fee as of the date on which they are admitted to the Fund in an amount equal to (a) the amount of the Management Fee calculated for the period from the initial closing until the end of the calendar quarter in which such limited partner is admitted to the Fund plus (b) an additional amount thereon at a rate of 6% (per annum) from the initial closing until the end of the calendar quarter in which such limited partner is admitted to the Fund.

Each quarterly installment of the Management Fee will be reduced, but not below zero, by an amount equal to (a) 100% of all (i) Breakup Fees (as defined below), (ii) Transaction and Monitoring Fees (as defined below), (iii) placement agent fees paid by the Fund and (iv) organizational expenses incurred by the Fund in excess of a maximum amount permitted under the Offering Documents of each Fund and (b) 50% of all Agency Fees (as defined below), in each case, attributable to the limited partners that are not designated as "affiliated partners" by the General Partner. As used herein: (x) "**Breakup Fees**" include commitment fees and breakup fees, in each case from transactions not consummated by the Fund that are actually received and retained by the General Partner, the Adviser or the partners, members, managers or employees thereof actively involved in the activities of the Fund, and in each case, net of related expenses; (y) "**Transaction and Monitoring Fees**" include transaction fees, closing fees, consulting fees, advisory fees, commitment fees, directors' fees and monitoring fees that are actually received from the portfolio companies of the Fund, and retained by, the General Partner, the Adviser or the partners, members, managers or employees thereof actively involved in the activities of the Fund, in each case, net of related expenses and excluding (A) any amount received by the General Partner, the Adviser or the partners, members, managers or employees thereof from the portfolio companies of the Fund as reimbursement for out-of-pocket expenses directly related to such portfolio company, (B) Breakup Fees and (C) Agency Fees; and (z) "**Agency Fees**" include fees actually received from the portfolio companies of the Fund, and retained by, the General Partner, the Adviser or the partners, members, managers or employees thereof actively involved in the activities of the Fund for administrative agency services provided by such persons to such portfolio companies, in each case, net of related expenses and excluding (A) Breakup Fees and (B) Transaction and Monitoring Fees. To the extent that any such an offset credit would reduce the Management Fee for a given quarter below zero, such offset credit will be carried forward for future application against payable Management Fees and if such an credit remains upon liquidation of the Fund, the Adviser will refund to the Fund for the benefit of the limited partners an amount equal to such remaining offset credit.

WhiteHawk may be paid fees of the type referred to in the preceding paragraph from, on behalf of, or with respect to, investments made by co-investors in an investment of the Fund. The receipt of such fees will not reduce the Management Fee payable by the Fund, and as a result, the Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors, which have the potential to be significant.

The Fund's Offering Documents will generally permit WhiteHawk to waive or reduce the management fee in respect of any Fund investor.

Should WhiteHawk advise Clients other than the Funds, WhiteHawk may also receive management fees from such other Clients.

### ***Carried Interest***

WhiteHawk will generally receive a carried interest with respect to each Fund equal to 20% of all realized profits subject to a 6% compound preferred return. The carried interest distributed to WhiteHawk will generally be subject to a potential clawback at the end of the term of the Fund if WhiteHawk has received excess cumulative distributions of carried interest. The Fund's Offering Documents will generally permit WhiteHawk to waive or reduce the carried interest in respect of any Fund investor.

Should WhiteHawk advise Clients other than the Funds, WhiteHawk may also receive carried interest or other performance-based compensation from such other Clients.

### ***Expenses***

Each Fund will generally be responsible for all costs, fees, expenses and liabilities that, in the good faith judgment of WhiteHawk, are incurred by, or arise out of the operation of, the Fund, including: (a) the management fee (as described above); (b) organizational expenses; (c) costs, fees and expenses (including to third parties) relating to temporary investments, portfolio investments and potential investments that are not consummated, including for investigation, development, negotiation, structuring, acquisition, trading, settling, valuing, monitoring, holding, and disposition thereof, travel (including transportation, meal and accommodation expenses), legal, tax and accounting expenses in connection therewith (to the extent not reimbursed by a prospective or actual portfolio company or other third parties or capitalized as part of the acquisition price of the transaction); (d) broken deal expenses (to the extent not reimbursed by a prospective or actual portfolio company or other third parties); (e) brokerage fees and commissions and prime brokerage fees, custodial expenses, agent bank and other bank service fees and other investment costs; (f) capital call lines fees and interest; (g) Fund administrative fees and expenses; (h) insurance; (i) payments made to legal counsel, tax advisers, auditors, accountants, fund administrators, custodians, appraisers, consultants and other outside advisers (including payments associated with the preparation of the Fund's financial statements, tax returns and Schedule K-1s); (j) expenses related to organizing companies through or in which portfolio investments will be made; (k) reimbursement of the expenses of the Fund's investor advisory board; (l) expenses relating to the holding of meetings of the Fund, including reasonable travel expenses of WhiteHawk's partners, members and employees to attend such meetings; (m) market data costs; (n) research and deal origination-related expenses, including news and quotation equipment, software, subscriptions (including an Axial subscription) and services (including information and expert advisory services (e.g., services similar to those provided by the Gerson Lehrman Group)); (o) other expenses related to the purchase, monitoring, sale, settlement, custody or transmittal of Fund assets; (p) costs and expenses that are classified as extraordinary expenses, including fees and expenses associated with any tax or other audit, investigation, settlement or review of the Fund; (q) taxes, fees or other governmental charges

payable by the Fund; (r) damages, litigation expenses, and threatened litigation expenses relating to the business or activities of the Fund or WhiteHawk; (s) the Fund's indemnity obligations; (t) interest and other expenses for borrowed money; (u) costs of reporting to the Fund investors; (v) costs of winding up and liquidating the Fund; (w) business development expenses, including any business development entertainment expenses; (x) investor relations expenses related to the Fund; (y) expenses incurred pursuant to a Fund investor's default; and (z) and all other expenses properly chargeable to the Fund. Any such costs or expenses paid by WhiteHawk will be reimbursed by each Fund.

In certain circumstances, one Client may pay an expense common to multiple Clients (including, without limitation, legal expenses for a transaction in which all such Clients participate, or other fees or expenses in connection with services the benefit of which are received by other Clients over time), and be reimbursed by the other Clients by their share of such expense, without interest. In certain circumstances, WhiteHawk is expected to advance amounts related to the foregoing and receive reimbursement from the Clients to which such expenses relate.

WhiteHawk generally has discretion over whether to charge agency fees, transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Fund, on the one hand, and WhiteHawk, on the other hand.

#### **Item 6 - Performance Fees and Side-by-Side Management**

As described under "Fees and Compensation," WhiteHawk will typically receive carried interest distributions on certain realized profits of the Funds, although WhiteHawk, in its sole discretion, may waive or reduce such carried interest distributions for any Fund investor.

Should WhiteHawk advise Clients other than the Funds, WhiteHawk may also receive carried interest or other performance-based compensation from such other Clients.

The terms of the carried interest or other performance-based compensation may differ among the Clients. This may result in a conflict of interest when allocating investment opportunities among Clients, as WhiteHawk may have an incentive to favor Clients that have higher performance-based compensation. To avoid such a conflict of interest, WhiteHawk will generally follow documented procedures for allocating investment opportunities among Clients, which will not take into account the performance-based compensation to which such Clients are subject. The existence of performance-based compensation also has the potential to create an incentive for WhiteHawk to make more speculative investments on behalf of the applicable Client than it would otherwise make in the absence of such arrangement, although WhiteHawk generally considers performance-based compensation to better align its interests with those of its Clients.

#### **Item 7 - Types of Clients**

WhiteHawk offers investment advice to the Clients as defined in Item 4 above. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates, charitable organizations, other corporations or business entities, and may include, directly or indirectly, the partners, principals, or other employees of WhiteHawk and members of their families, or other service providers retained by WhiteHawk.

The minimum initial investment in the Funds is generally \$1 million, subject to WhiteHawk's discretion to accept lesser amounts.

WhiteHawk will determine the minimum investment for a Separate Account Client on a case-by-case basis.

## **Item 8 - Methods of Analysis, Investment Strategies, Risk of Loss**

### ***Investment Strategy***

WhiteHawk seeks to generate attractive risk-adjusted returns through investments primarily in senior secured loans and second lien secured loans of middle-market public and private U.S. companies.

### ***Risk of Loss***

Prospective Fund investors and Separate Account Clients should be aware that investments involve a high degree of risk. A discussion of certain material risks is provided below. However, the below does not purport to be a complete explanation of the risks involved with an investment. Prospective investors should review the Fund's Offering Documents in their entirety and consult with their own advisers before deciding whether to invest in the Fund.

*Significant Fees and Expenses.* The fees and expenses associated with an investment may be significant.

*Investment in Middle-Market Companies.* The Clients invest in lower middle-market companies. Investing in middle-market companies involves a number of significant risks. Such companies may (a) have limited financial resources and may be unable to meet their obligations under their debt securities that the Client holds, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Client realizing any guarantees the Client may have obtained in connection with its investment; (b) typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns; are more likely to depend on the management talents and efforts of a small group of persons such that, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the stability of the company and their ability to repay their debts; (c) generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and (d) may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

*Risk of Private Debt and Equity Investments.* Private debt and equity investments involve a high degree of financial risk. There can be no assurance that investments by the Clients will be profitable or that substantial losses will not occur. The companies in which the Clients will invest are often dependent on the skills of a small number of executives and are vulnerable to changes in technology, fluctuations in demand for their products, changing interest rates and other factors. There can also be no assurance that the Client will be repaid, be able to sell or otherwise liquidate its investments at the optimal time or price.

Debt instruments are subject to credit and interest rate risks. Credit risk refers to the likelihood that an obligor will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an obligor are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument and securities and other



debt instruments which are rated by rating agencies are often reviewed and may be subject to downgrade. Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) or directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

**Leverage and Borrowing Risks.** The Fund has the power to borrow funds and employs leverage in connection with its investment program, to pay Fund expenses or as otherwise deemed necessary, desirable or appropriate by WhiteHawk in its sole discretion, including for the purpose of enhancing the Fund's returns. The exact amount of leverage employed by the Fund will vary from time to time and will be dependent upon the terms and restrictions imposed by the leverage lenders. The Fund will borrow funds from brokers, banks and other lenders to finance its investments, which borrowings may be secured by assets of the Fund, capital contributions and available capital commitments. The use of such leverage can, in certain circumstances, maximize the losses to which the Fund's investments may be subject, and the amount of leverage that the Fund may have outstanding at any time may be significant in relation to its assets. Any event that adversely affects the value of an investment would be magnified to the extent that the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to the Fund, which would be greater than if the Fund was not leveraged. The access to capital could be impaired by many factors, including market forces or regulatory changes.

**Debt Obligations – Assignments and Participations.** The Clients will occasionally acquire and hold interests in loans either directly (by purchase from the issuer or by assignment) or indirectly (by way of participation). Holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a loan. The purchaser of an assignment of a loan obligation typically succeeds to all the rights and obligations of the selling institution and becomes a lender under the loan or credit agreement with respect to the loan obligation. As a purchaser of an assignment, the Client generally will have the same voting rights as other lenders under the applicable loan agreement. Assignments are, however, arranged through private negotiations between assignees and assignors, and in certain cases the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning selling institution.

**Priority of Debt Instruments and Loans.** The Clients invest in secured debt issued by companies that have or may incur additional debt that is senior to the secured debt owned by the Clients. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of any such company, the owners of senior secured debt (i.e., the owners of first priority liens) generally will be entitled to receive proceeds from any realization of the secured collateral until they have been reimbursed. At such time, the owners of junior secured debt (including, in certain circumstances, the Clients) will be entitled to receive proceeds from the realization of the collateral securing such debt. There can be no assurances that the proceeds, if any, from the sale of such collateral would be sufficient to satisfy the loan obligations secured by subordinate debt instruments. To the extent that the Clients owns secured debt that is junior to other secured debt, the Clients may lose the value of its entire investment in such secured debt.

*Risks Associated with Investments in Distressed Securities.* The Clients invest in securities and assets of companies that are experiencing significant financial or business difficulties, including companies involved in reorganization or restructuring. Although such investments may result in significant returns to the Clients, they involve a substantial degree of risk. Any one or all of the issuers of the securities in which the Clients may invest may be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high.

Furthermore, with respect to the Clients' investments in loans, there is no assurance that WhiteHawk will correctly evaluate the value of the assets collateralizing the Clients' loans or the prospects for a successful reorganization or similar action. In any reorganization or restructuring relating to a company in which the Clients invest, the Clients may lose their entire investment, may be required to accept cash or securities with a value less than the Clients' original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Clients' investments may not compensate the Separate Account Clients or Funds' partners adequately for the risks assumed.

Troubled company and other investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by WhiteHawk. To the extent that WhiteHawk becomes involved in such proceedings, the Clients may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by WhiteHawk in an issuer's reorganization proceedings could result in the imposition of restrictions limiting the Clients' ability to liquidate its position in the issuer.

*Participation on Creditors' Committees.* The Fund will participate on committees formed by creditors to negotiate the management of financially troubled companies that may or may not be in bankruptcy or the Fund may seek to negotiate directly with the debtors with respect to restructuring issues. If the Fund does join a creditors' committee, the participants of the committee would be interested in obtaining an outcome that is in their respective individual best interests and there can be no assurance of obtaining results most favorable to the Fund in such proceedings. By participating on such committees, the Fund may be deemed to have duties to other creditors represented by the committees, which might thereby expose the Fund to liability to such other creditors who disagree with the Fund's actions.

*Unsecured Subordinated Debt and High-Yield Debt Obligations.* Some of the debt obligations purchased by the Clients may on occasion consist of unsecured subordinated or high-yield debt obligations. These obligations are often issued in connection with leveraged acquisitions or recapitalizations in which the borrower incurs a substantially higher amount of indebtedness than the level at which they had previously operated. The lower ratings (or absence of credit ratings) of obligations in the non-investment grade market reflect a greater possibility that adverse changes in the financial condition of a borrower or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings or disruptions in the financial markets) or both may impair the ability of such borrower to make payments of principal and interest.

Risks of such obligations may include (among others): (a) limited liquidity; (b) substantial market price volatility resulting from changes in prevailing interest rates; (c) subordination in right of security and right to enforce remedies to the prior claims of secured banks and other senior secured lenders; (d) the possibility that earnings of the high-yield debt obligation borrower may be insufficient to meet its debt service; and (e) the declining creditworthiness and potential for insolvency of the borrower of such high-yield debt obligation during periods of

rising interest rates and economic downturn. An economic downturn or an increase in interest rates could severely disrupt the market for high-yielding debt obligations and adversely affect the value of outstanding high-yield debt obligations and the ability of the borrower thereof to repay principal and interest.

Issuers of high-yield debt obligations may be highly leveraged and may not have available to them more traditional sources of financing. The risk associated with acquiring the securities of such issuers generally is greater than is the case with higher rated securities. The prices of high-yield debt obligations are likely to be more sensitive to adverse economic changes or individual corporate developments than higher rated securities. For example, during an economic downturn or a sustained period of rising interest rates, issuers of high-yield debt obligations may be more likely to experience financial stress, especially if such issuers are highly leveraged. During such periods, timely service of debt obligation may also be adversely affected by specific borrower developments, the borrower's inability to meet specific projected business forecasts or the unavailability of additional financing. The risk of loss due to default by the borrower is significantly greater for the holders of high-yield debt obligations because such securities may be unsecured. In addition, the issuer may incur additional expenses to the extent it is required to seek recovery upon a default on a high-yield debt obligation (or any other debt obligation) or participate in the restructuring of such obligation.

*Risks Relating to Secondary Investments.* The Clients will, on occasion, acquire loans in the secondary market. In many cases, the economic, financial and other information available to and used by WhiteHawk in selecting and structuring such secondary investments may be incomplete or unreliable. Valuations of secondary investments may be difficult since there generally will be no established market for such interests. The Clients may not have the opportunity to negotiate the terms of secondary investments, including any special rights and privileges. Moreover, the purchase price of secondary investments will be subject to negotiation with the sellers of such interests and may, in certain cases, include the Clients' assumption of certain contingent liabilities resulting from activity that transpired prior to the secondary investment. The overall performance of a secondary investment will depend in part on the accuracy of the information available to WhiteHawk, the acquisition price paid by the Clients for such secondary investment and the structure of such acquisitions and the Clients' ultimate exposure to any assumed liabilities.

The Clients may have the opportunity to acquire a portfolio of secondary investments from a seller on an "all or nothing" basis. Certain secondary investments in such a portfolio may be less attractive than others, and certain of the sponsors of such secondary investments may be more familiar to WhiteHawk than others, or may be more experienced or highly regarded than others. It may not be possible for the Clients to carve out from such purchases those investments which WhiteHawk considers less attractive for commercial, tax, legal or other reasons.

Sellers in certain secondary market transactions might require that WhiteHawk complete its investment analysis and come to a decision within a relatively short time. In such cases, the information available at the time of an investment decision may be limited, and WhiteHawk may not have access to the detailed information necessary for a thorough evaluation of the investment opportunity.

*Risks of Equity Investments.* The Clients will, from time to time, invest in, equity kickers and other equity securities and interests in borrowers or may acquire equity of a borrower through its restructuring or reorganization ("**Equity Investments**"). Equity Investments are subject to the risks described herein with respect to investments generally but are more subordinate in a borrower's capital structure and are therefore generally riskier than fixed income investments such as loans.

Equity Investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value.

The successful use of options and warrants depends principally on price movements of the underlying securities. In addition, the purchaser of an option or warrant runs the risk that it will lose its entire investment in a relatively short period of time, unless the purchaser exercises the option or warrant or enters into a closing transaction with respect to the option during the life of the option or warrant. If the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, the purchaser will lose part or all of its investment in the option. There is no assurance that the Clients will be able to effect closing transactions at any particular time or at any acceptable price. In the event of the bankruptcy of a broker through which the Clients engage in transactions in options or warrants, the Clients could experience delays or losses in liquidating open positions purchased or sold through the broker.

*Lender Liability and Equitable Subordination.* A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various legal theories, collectively termed “lender liability.” Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. The Clients may be required to defend allegations of lender liability from time to time.

Loans to companies operating in workout modes or under Chapter 11 of the Bankruptcy Code are, in certain circumstances, subject to certain potential liabilities which may exceed the amount of such loan purchased by the Clients. Under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.” Because of the nature of the loans, the loans may be subject to claims of subordination.

*Default Risk.* It is possible that the issuer of a note or other instrument in which the Clients invest may default on its debts in which case the Clients may lose most or all of its investment in that instrument, thus subjecting the Clients to significant loss. A significant downturn in the economy or a particular economic sector could have a significant impact on the business prospects of the companies with respect to which the Clients are holding loans. Such adverse developments may adversely affect the ability of such borrowers to comply with their loan repayment obligations, as well as the ability of the Fund’s subsidiaries to obtain leverage at desired levels, cost or terms.

*Fraud or Misrepresentation.* Of paramount concern in purchasing all types of debt obligations is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or other debt obligations, or may adversely affect the ability of the Clients to perfect or effectuate a lien on the collateral securing the loan or other debt obligation. The Clients will

rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness.

*Lack of Operating History.* WhiteHawk is a newly formed entity that does not have any prior operating history of its own for prospective investors to evaluate. Although the principals of WhiteHawk have extensive prior investment management experience (including in pursuing similar investment strategies for other client accounts), Client investment program should be evaluated on the basis that there can be no assurance that WhiteHawk's assessment of the short-term or long-term prospects of investments will prove accurate or that the Client will achieve its investment objective.

*Prior Investment Performance Not Indicative of Future Results.* The performance of prior investments by the investment professionals of WhiteHawk is not necessarily indicative of future results. While WhiteHawk makes investments that have potential returns commensurate with the risks undertaken, there can be no assurance that the targeted returns will be achieved. On any given investment, total loss of the investment is possible.

*Illiquidity of Interests.* No market exists for the Fund's interests and none is expected to develop. Investment in the Fund requires a long-term commitment, with no certainty of return. The Fund's limited partners may not be able to liquidate their interests prior to the end of the Fund's term. An investment in the Fund is suitable only for certain sophisticated investors who have no need for liquidity in their investment in the Fund.

*Limited Partners May be Required to Return Distributions.* WhiteHawk may require a limited partner, including any former limited partner, to return any or all of the distributions made to such limited partner, subject to certain limitations, if the assets of the Fund are insufficient to satisfy its liabilities, including indemnification obligations.

*Competition for Investment Opportunities.* There will be competition for investments from numerous other potential investors, many of which will have significant financial resources. As a result, there can be no guarantee that a sufficient quantity of suitable investment opportunities for the Fund will be found, that investments on favorable terms can be negotiated, or that the Fund will be able to fully realize the value of the Fund's investments. Competition for investments may have the effect of increasing the Fund's costs and expenses, thereby reducing investment returns to the Fund.

*Market Conditions.* Difficult market conditions, including any deterioration in the credit markets, may adversely affect the Client in many ways, including by reducing the value or performance and liquidity of the Client's investments and reducing the ability of the Client to raise or deploy capital. A general market downturn, or a specific market dislocation, may result in lower investment returns for the Client.

The Client may be adversely affected by the fact that WhiteHawk may not be able to find suitable investments for the Clients to effectively deploy capital, which could adversely affect the Client's performance.

*Cybersecurity Risk.* As part of its business, WhiteHawk processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Client and personally identifiable information of the Separate Account Clients and Fund's limited partners. Similarly, service providers of the Client may process, store and transmit such information. WhiteHawk has procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change



frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to WhiteHawk may be susceptible to compromise, leading to a breach of WhiteHawk's network. WhiteHawk's systems or facilities may be susceptible to employee error or malfeasance, government surveillance or other security threats. On-line services provided by WhiteHawk to the Separate Account Client and Fund's limited partners, if any, may also be susceptible to compromise. Breach of WhiteHawk's information systems may cause information relating to the transactions of the Clients and personally identifiable information of the Separate Account Clients and Fund's limited partners to be lost or improperly accessed, used or disclosed.

#### **Item 9 - Disciplinary Information**

None of WhiteHawk or any of its partners have been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction.

#### **Item 10 - Other Financial Industry Activities and Affiliations**

WhiteHawk nor any of its partners are affiliated with any other financial or advisory firms. Moreover, neither WhiteHawk nor any of its principals are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer, or any other regulated financial firm.

WhiteHawk may provide investment management services to more than one Client and such Client accounts may have overlapping or conflicting investment objectives. Related persons of WhiteHawk may also co-invest alongside Clients under certain circumstances. Participation in a specific investment opportunity could be appropriate for more than one Client, in which event WhiteHawk will allocate the opportunity, which may not result in a *pro rata* allocation to all Clients. Accordingly, even Clients sharing similar strategies may not hold the same securities or instruments or achieve the same performance. However, WhiteHawk will always endeavor to allocate investments in a fair and equitable manner. Additionally, WhiteHawk has developed certain internal policies to address such conflicts.

#### **Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

##### ***Code of Ethics***

WhiteHawk has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act for the purpose of instructing employees about their fiduciary obligations to clients and to provide rules for, among other things, their personal securities transactions. Clients or prospective clients may obtain a copy of the Code of Ethics by contacting WhiteHawk's Chief Compliance Officer ("CCO").

##### ***Participation or Interest in Client Transactions and Personal Trading***

Typically related persons do not have an interest, directly or indirectly, in a security, that has been purchased or sold on behalf of a Client. However, should a related person have an interest in such security, a conflict of interest would arise as the reason for making such recommendation to a Client could be to benefit the related person (i.e. by increasing the value of the security) rather than it being in the best interest of the Client. WhiteHawk has developed policies and

procedures to ensure that Clients' interests are not disadvantaged by a trade made by a related person and that a related person does not benefit personally from trades undertaken for Clients. In particular, WhiteHawk's related persons must provide certain initial, annual and periodic reports to disclose holdings as well as reportable securities transactions. These reports are periodically reviewed by the CCO, or his designee, to confirm compliance with WhiteHawk's personal trading policy.

## **Item 12 - Brokerage Practices**

### ***Selection of Brokers***

Due to the nature of WhiteHawk's business and the investment strategy, typically WhiteHawk does not transact through a broker dealer. In limited circumstances, Clients may invest in publicly-traded or other securities, which trades may be entered and executed through one or more broker dealer. In instances where the Firm utilizes a broker dealer to transact in such securities, the Firm will ensure best execution and take all reasonable steps to obtain the best possible result, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. WhiteHawk.

### ***Research and Other Soft Dollar Benefits***

WhiteHawk does not currently intend to enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements would pose a conflict of interest for WhiteHawk in that such arrangements would allow WhiteHawk to pay with Client commissions expenses that would otherwise be borne by WhiteHawk. Should WhiteHawk use Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it would receive a benefit because it would not have to produce or pay for the research, products or services. WhiteHawk may have an incentive to select a broker based on WhiteHawk's interest in receiving the research or other products or services offered by such broker, rather than on Clients' interests in receiving most favorable execution.

Should WhiteHawk engage in soft dollar transactions, WhiteHawk intends to comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. WhiteHawkWhiteHawk

### ***Brokerage for Client Referrals***

At this time, WhiteHawk does not intend to direct Client brokerage business to brokers that refer prospective investors or clients.

### ***Trade Error Policy***

Subject to applicable law, WhiteHawk will generally reimburse the applicable Client account(s) for losses that occur as a result of trade errors resulting from WhiteHawk's willful default, fraud or gross negligence, as determined in accordance with the applicable Offering Documents or IMA, as the case may be.

### ***Aggregation of Orders***

Due to WhiteHawk's investment strategy, typically investment orders are not aggregated. However, should the Firm aggregate the purchase or sale of investment opportunities

WhiteHawk will ensure Clients are treated fairly and equitably in accordance with its fiduciary duty to obtain best execution for the Clients.

### **Item 13 - Review of Accounts**

WhiteHawk reviews Client accounts continually for overall adherence with the investment strategy and investment guidelines.

WhiteHawk may, in its discretion, provide Fund investors with periodic performance estimates, performance attribution reports, exposure analysis, and other reporting on an as requested basis to specific investors. On an annual basis, investors receive a copy of the Fund's annual audited financial statements and, where applicable, a statement of taxable income (form K-1).

Should WhiteHawk advise Separate Account Clients in the future, WhiteHawk may provide periodic unaudited reports as agreed to with each such Separate Account Client. If needed to comply with the Custody Rule (as defined below), the custodian of the Separate Account Clients will send account statements to such Separately Account Clients no less frequently than quarterly.

### **Item 14 - Client Referrals and Other Compensation**

WhiteHawk may provide certain business, agency or consulting services to companies in a Fund's portfolio and may receive compensation from these companies in connection with such services. This compensation may, in many cases, offset a portion of the management fees paid by such Fund as disclosed in the Fund's Offering Documents. However, in other cases (e.g., reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to such management fees.

WhiteHawk may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an investor in a Fund. Any fees payable to any such placement agents will be borne by WhiteHawk indirectly through an offset against the management fee payable by the applicable Fund, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund. Placement agents that introduce investors to a Fund are subject to a conflict of interest to the extent that they will be compensated in connection with their introduction activities.

### **Item 15 - Custody**

Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"), requires advisers that have custody of client funds or securities to implement a set of controls designed to protect those client assets from being lost, misused, misappropriated or subject to financial reserves.

Advisers with custody of client funds and securities must maintain them with a qualified custodian defined under the amended rule to include banks and savings associations and registered broker-dealers.

In accordance with the Custody Rule, a qualified custodian will not be required to deliver quarterly account statements to the Funds or their investors as long as (a) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (b) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (c) annual



audited financial statements are delivered to each Fund's investors within 120 days after the end of the applicable Fund's fiscal year.

WhiteHawk is deemed to have custody over the Funds' assets and will ensure the Funds are audited and the underlying investors receive copies of those financials.

As noted above in Item 13, should WhiteHawk advise Separate Account Clients and such quarterly delivery obligation is required to comply with the Custody Rule, it is anticipated that such Separate Account Client will receive account statements no less frequently than quarterly from the custodians of such Separate Account Clients. Separate Account Clients should carefully review these statements that are received from their custodians.

#### **Item 16 - Investment Discretion**

WhiteHawk has discretionary authority to manage securities accounts on behalf of the Clients. The investors in the Fund generally will not have the ability to place any limits on WhiteHawk's authority beyond the limitations set forth in the applicable Fund's Offering Documents. Should WhiteHawk manage other Clients in the future, such Clients may negotiate certain risk and/or operating guidelines to which WhiteHawk will adhere when exercising its discretionary authority over such Clients' accounts.

#### **Item 17 - Voting Client Securities**

Although WhiteHawk typically does not have the opportunity to vote proxies, WhiteHawk has established proxy voting policies and procedures (the "**Proxy Voting Policy**") designed to ensure that proxies are voted in the best interest of the Clients.

The Proxy Voting Policy requires WhiteHawk, when voting proxies, to follow procedures designed to identify and address material conflicts that may arise between its interests and those of its Clients. Accordingly, prior to voting any proxy, the CCO will determine whether a material conflict of interest exists and will either resolve the conflict or refer proxy vote to an outside service provider for its independent consideration.

In the absence of a material conflict, WhiteHawk will seek to act solely in the best interests of its Clients. WhiteHawk determines whether and how to vote proxies on a case-by-case basis. In making such determination, WhiteHawk: (a) will attempt to consider all aspects of the vote that could affect the value of the issuer or that of the relevant Client; (b) will vote in a manner that it believes is consistent with the relevant Client's stated objectives; (c) will generally vote in accordance with the recommendation of the issuing company's management on routine and administrative matters, unless WhiteHawk has a particular reason to vote to the contrary; and (d) may not vote at all to the extent the outcome of the vote or action does not have a material impact on the issuer or value of its securities.

Upon the request by a Client, WhiteHawk will disclose to such Client how it voted securities owned by such Client. Clients may also contact WhiteHawk via e-mail or telephone to request a copy of its Proxy Voting Policy.

#### **Item 18 - Financial Information**

Registered investment advisers are required in this Item 18 to provide investors with certain financial information or disclosures about our financial condition. WhiteHawk has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.