

Madison Avenue Partners, LP

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This “**Brochure**” provides information about the qualifications and business practices of Madison Avenue Partners, LP (hereinafter “**Madison**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Chris Carroll, by email at cc@madisonavelp.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Registration as an investment adviser does not imply that Madison or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Madison is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The Firm has published a website since our last ADV submission on March 23, 2020. There have been no other material changes to report.

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Item 4: Advisory Business

Madison Avenue Partners, LP (hereinafter “**Madison**”, “**we**”, “**us**”, “**our**” “**Investment Manager**” or the “**Firm**”) was organized as a Delaware limited partnership in April 2018 and has a principal place of business New York, New York. The principal owner of Madison is Eli Samaha.

Madison Avenue GP, LLC (the “**General Partner**”), an affiliate of the Firm, serves as the general partner of the Onshore Fund and the Master Fund (each as defined below). The General Partner is also principally owned, directly or indirectly, by Eli Samaha.

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor.

Currently, Madison manages the following private, pooled investment vehicles:

- Madison Avenue Offshore, Ltd, a Cayman Islands exempted company (the “**Offshore Fund**”);
- Madison Avenue Onshore LP, a Delaware limited partnership (the “**Onshore Fund**”); and
- Madison Avenue International LP, a Cayman Islands exempted limited partnership (the “**Master Fund**”).

The Master Fund, the Onshore Fund and the Offshore Fund are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”.

The Onshore Fund’s “**Limited Partners**” and the Offshore Fund’s “**Shareholders**” are hereafter collectively referred to as the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective “**Offering Documents**.”

We do not currently participate in any Wrap Fee Programs.

As of December 31, 2019, we had approximately \$ 436,173,618 of regulatory assets under management, all managed on a discretionary basis.

Item 5: Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

Management Fee

Madison is paid an investment management fee (“**Management Fee**”) based on a percentage of the net asset value of the Funds as set forth in the applicable Offering Documents. The Management Fee is normally charged on the first day of each calendar quarter and is paid in

advance based on the applicable Fund's net asset value on the first day of such calendar quarter.

Generally, the Management Fee percentage ranges from 1% - 1.5% per annum.

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

Other Types of Fees or Expenses

Each Fund may pay, or reimburse the Investment Manager and/or the General Partner for advancing, all or a portion of such Fund's expenses as determined in the Investment Manager's discretion, including, without limitation, the following: (i) expenses related to the research, execution and monitoring of actual and prospective investments (whether or not consummated) and the consummation of investments, including, without limitation, the following: third-party investment sourcing fees; consulting fees; expert fees; fees and expenses of and related to obtaining research, analytics and market data (including, without limitation, any information technology hardware, software and data subscriptions (such as Bloomberg and FactSet) or other technology incorporated into the cost of obtaining such research and market data); due diligence expenses including, without limitation, consulting and appraisal fees; investment- and research-related travel expenses; any outsourced trading provider fees; brokerage and prime brokerage fees, commissions and expenses (including the costs of negotiating, documenting and/or amending agreements with prime brokers, ISDAs and other agreements with trading and financing counterparties); expenses relating to borrowing securities to be sold short; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and other borrowing costs; fees and expenses of proxy research and voting services; broken deal expenses; and fees and expenses of third-party professionals, including, without limitation, consultants, investment bankers, attorneys and accountants; (ii) organizational expenses and expenses incurred in connection with the offering and sale of the interests or shares in the Funds, including, without limitation, the following: the preparation and amendment of the Offering Documents; and fees and expenses of the Investment Manager incurred in connection with "world sky" matters and private placement regimes, including the European Alternative Investment Fund Managers Directive, and Form D and blue sky and similar fees and expenses; (iii) operational expenses, including, without limitation, the following: fees and expenses relating to information technology hardware, software or other technology (including, without limitation, costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations) in connection with the activities of the Funds, facilitate and manage the order execution of securities or otherwise manage the Funds (such as portfolio management systems and order management systems); fees and expenses of third-party risk management products, models and services; third-party administrative fees and expenses, including fees and expenses of the Funds' administrator and any middle or back office service provider; fees and expenses of third-party professionals, including, without limitation, consultants, valuation service providers, attorneys, accountants and tax preparers; third-party audit and tax preparation expenses; insurance expenses, including, without limitation, directors and officers liability insurance, errors and omission insurance, and cybersecurity insurance and liability insurance covering the Funds, the General Partner, the Investment Manager and the members, partners, officers, employees and agents of any of them (in each case, even if such insurance covers

conduct for which indemnity would not be available from the Funds); fees and expenses associated with investor and director meetings, including, without limitation, expenses related to the organization and conduct of investor and director meetings (including, without limitation, travel, lodging and meal expenses), and director fees (including registration fees); costs of preparing and distributing reports and notices to Investors (including the development, implementation and maintenance of an investor electronic delivery site and/or system); entity-level taxes; fees and expenses related to compliance with applicable law and regulations in connection with the activities of the Funds, including, without limitation, any governmental, regulatory, licensing, filing, reporting or registration expenses, fees or taxes (including, without limitation, fees and expenses incurred in connection with the preparation and filing of Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings, and any filings or reporting with respect to compliance with the Foreign Account Tax Compliance Act, Automatic Exchange of Information standard or similar laws enacted in other jurisdictions, as well as any foreign tax regime registrations, tax filings and associated annual fees and expenses); and (iv) extraordinary expenses, including, without limitation, the following: the costs of any litigation or investigation involving activities of the Funds (including attorney's fees and investigative fees and expenses); the cost of settlements and indemnification expenses (including advances thereof); fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, including, without limitation, any related administrative settlement and judicial review; and fees and expenses incurred in connection with the reorganization, dissolution, winding-up or termination of any of the Funds.

In addition, the Onshore Fund and the Offshore Fund will each bear its pro rata share of the Master Fund's expenses that are not borne by the Investment Manager.

Except as provided above, the Investment Manager and the General Partner will bear their own rent and similar overhead expenses, in addition to the compensation and benefits of their employees.

Organizational costs may be amortized by the Funds for tax purposes over 180 months under the U.S. Internal Revenue Code of 1986, as amended, and for accounting purposes may be amortized over sixty (60) months or such other period deemed appropriate by the General Partner in its discretion. U.S. generally accepted accounting principles ("**GAAP**") may require that such costs be expensed when incurred for accounting purposes. Even if GAAP requires expensing when incurred, for purposes of determining the Fund's net asset value, such costs may be amortized over sixty (60) months or such other period deemed appropriate by the General Partner in its discretion, and the net asset value determination therefore may differ from GAAP. A withdrawing Investor may be charged its pro rata share of any organizational expenses that remain unamortized at the time of withdrawal.

The General Partner, in its discretion, may allocate expenses of the Funds among the different classes of interests or shares and general accounts and separate memorandum accounts based on the portion of such expenses that are reasonably attributable to such classes of interests or shares and the general accounts and separate memorandum accounts, as applicable. In addition, the General Partner may allocate certain expenses of the Funds to particular Investors if the General Partner determines that such expenses are directly attributable to such Investors. The General Partner or the Investment Manager may also allocate certain similar expenses incurred by the Funds in proportion to their relative net asset value (as opposed to in accordance with how such expenses are invoiced) if the General Partner or the Investment Manager believe(s) it is fair and equitable to do so.

To the extent any expenses are incurred by the Investment Manager or the General Partner on behalf of the Funds and one or more other investment vehicles or accounts managed by the Investment Manager, the General Partner or one of their respective affiliates, the Investment Manager or the General Partner, as applicable, will allocate such expenses among the Master Fund and such other investment vehicles and/or accounts, in a manner the Investment Manager or the General Partner, as applicable, determines to be fair and equitable.

The Investment Manager and/or the General Partner may, in their discretion, waive their right to be reimbursed for any of the foregoing expenses for any period of time. Any such waiver shall not require the Investment Manager or the General Partner to waive their right to be reimbursed for such expenses in the future.

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

Madison is currently entitled to an annual performance-based allocation from each Client based on a percentage of the aggregate net capital appreciation of Client assets as set forth in the applicable Offering Documents. As a result, we do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based compensation from some clients, but not from other clients.

The General Partner, in its sole discretion, may waive or modify the performance-based allocation for any Investor.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

Generally, the minimum initial investment in the Fund is \$5 million. However, Madison may, in its sole discretion, accept lower initial investments from time to time.

Item 7: Types of Clients

Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved. Past performance is not indicative of future results.

Investment Strategy

The Funds seek to organically compound their assets while minimizing the chance of permanent loss of capital. The Investment Manager intends to employ an opportunistic value investing strategy, with a focus on identifying meaningfully mispriced securities across geographies and the capital structure.

The Investment Manager believes that investment constraints create opportunities. Further, it believes that attractive areas of investment change over time. As such, the Funds intend to employ an unconstrained investment style that enables adaptation to changing opportunity sets.

Since excess return requires a mispricing, the Investment Manager generally prioritizes searching for and understanding the nature of security mispricings. The Investment Manager concentrates its analysis on what it perceives as the most potentially mispriced areas of the market. The Investment Manager believes that this process significantly improves the likelihood of finding attractive investment opportunities.

Risk Factors

References below in this Item 8 to the “Fund” include the Onshore Fund and the Offshore Fund, as applicable.

An investment in the Fund involves substantial risks, and prospective investors should carefully consider, among other factors, the risks described below. These risk factors are not intended to be an exhaustive listing of all potential risks associated with an investment in the Fund.

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below. Each prospective investor should carefully review the Offering Documents and the documents referred to herein before deciding to invest with Madison.

Investment and Trading Risks. All securities investments risk the loss of capital. The Investment Manager believes that the Fund’s investment program and the Investment Manager’s research techniques will moderate this risk through a careful selection of securities and other financial instruments. However, no guarantee or representation is made that the Fund’s investment program will be successful or that the Fund will not incur losses. The Fund’s investment program may utilize investment techniques including, but not limited to, trading in put and call options and other derivatives, the use of leverage, and short sales, which in practice can, in certain circumstances, increase the adverse impact to which the Fund may be subject.

In certain transactions, the Fund may not be “hedged” against market fluctuations or, in reorganization or liquidation situations, may not accurately value the assets of the subject company or the degree of legal and regulatory risk associated with investments in the securities of companies in such situations. This can result in losses, even if the proposed

transaction is consummated. The Investment Manager will attempt to assess the foregoing risk factors, and others, in determining the extent of the position it will take in the relevant securities and the price it is willing to pay for such securities. However, such risks cannot be eliminated.

Concentration of Investments. Subject to any limitations adopted by the Investment Manager from time to time, the Fund is not restricted in the amount of its capital that it may commit to any issuer, security, industry sector or geographic region, and at times the Fund may hold a relatively large concentration in a limited number of issuers, securities, industry sectors and/or geographic regions. Losses incurred in connection with those investments could have a material adverse effect on the Fund's overall financial condition. This is because the value of the Fund's investment portfolio will be more susceptible to any single occurrence affecting one or more of those issuers, securities, industry sectors or geographic regions than would be the case with a more diversified investment portfolio.

Small to Medium Capitalization Companies. The Fund intends to invest its assets in the stocks of companies with small- to medium-sized market capitalizations. While the Investment Manager believes these investments often provide significant potential for appreciation, these stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Fixed Income Securities. The Fund intends to trade in bonds and may trade in other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations, or debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

The Fund may trade in fixed-income securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult.

"High Yield" Securities. The Fund intends to invest in "higher yielding" (and, therefore, higher risk) debt securities. Such securities are generally considered to be below "investment grade" and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. In certain periods, there may be little or no liquidity in markets for these securities. Furthermore, it is likely that a major economic recession or financial crisis could have a materially adverse impact on the value of such securities. High yield securities have historically experienced greater default rates than has been the case for investment grade securities. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react

primarily to fluctuations in the general level of interest rates. The markets for high yield securities tend to be more volatile, less liquid and less active than those for higher-rated securities, which can adversely affect the price at which these securities can be sold and may make it impractical or impossible to sell such securities at times of market dislocation. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these securities.

Convertible Securities. The Fund intends to invest in convertible securities. The market value of convertible securities, as with all fixed income securities, tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to achieve its objective.

Leverage. The Investment Manager intends to use leverage as part of the Fund's investment program and the amount of leverage which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage may be obtained by borrowing funds to make trades or by purchasing or entering into derivative instruments that are inherently leveraged, such as swaps, options, futures and forward contracts.

If the interest expense on borrowings were to exceed the net return on the positions acquired with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged. If the amount of borrowings which the Fund may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the Fund's portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Any gains made with the additional monies borrowed will generally cause the value of the Fund's assets to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies fails to cover their cost to the Fund, the value of the Fund's assets will generally decline faster than would otherwise be the case. The amount of any borrowing may also be limited by regulations imposed by the Federal Reserve Board or by the availability and cost of credit, as well as due to overall market conditions. If, due to market fluctuations or other reasons, the value of the Fund's assets should fall below required regulatory or counterparty imposed levels, the Fund will be required to reduce its debt by selling securities in its long portfolio. The Fund may also be unable to carry-out its investment program if it is not able to obtain leverage on reasonable terms.

In the case of derivative instruments, because many derivatives are "leveraged," such instruments provide significantly more market exposure than the money paid or deposited when the transaction is entered into and, thus, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested.

In addition, in transactions involving derivative instruments, counterparties and lenders will likely require the Fund to post collateral to support its obligations. Should the securities and other assets pledged as collateral decline in value, or should brokers increase their

maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), the Fund could be subject to a “margin call” pursuant to which it must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a precipitous drop in the value of pledged securities, the Fund might not be able to liquidate assets quickly enough to pay off the margin debt or provide additional collateral and may suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses. Furthermore, secured counterparties and lenders will generally have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of collateral posted by the Fund. This could increase exposure to the risk of a counterparty default since, under such circumstances, the Fund may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral.

The Investment Manager may engage in the trading of options on futures for the account of the Fund, typically for hedging purposes. If the Investment Manager, on behalf of the Fund, buys an option (either to sell or buy a futures contract or commodity), the Fund will be required to pay a “premium” representing the market value of the option. Unless the price of the futures contract or commodity underlying the option changes and it becomes profitable to exercise or offset the option before it expires, the Fund may lose the entire amount of the premium.

Hedging Transactions. The Fund may utilize financial instruments, both for investment purposes and for risk management purposes in order (i) to protect against possible changes in the market value of the Fund’s portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) to protect the Fund’s unrealized gains in the value of the Fund’s portfolio; (iii) to facilitate the sale of any such investments; (iv) to enhance or preserve returns, spreads or gains on any investment in the Fund’s portfolio; (v) to hedge the interest rate or currency exchange rate on any of the Fund’s liabilities or assets; (vi) to protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate.

The success of the Fund’s hedging strategy will depend, in part, upon the Investment Manager’s ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund’s hedging strategy will also be subject to the Investment Manager’s ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund’s portfolio holdings.

Short Sales. A short sale involves the sale of a security that the Fund does not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later

date at a lower price. To make delivery to the buyer, the Fund must borrow the security and the Fund is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Fund. When the Fund makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss to the Fund. The extent to which the Fund will engage in short sales will depend upon the Investment Manager's investment strategy and perception of market direction and the value of individual securities. The Investment Manager may engage in short sales on behalf of the Fund as a hedge against potential market declines and/or based on its fundamental analysis of the subject issuers.

Call Options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., 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. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. 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 buyer of a call option assumes the risk of losing its entire investment in the call option.

Put Options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Foreign Investments. The Fund may trade non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the U.S. Such transactions require consideration of certain risks not typically associated with trading in U.S. securities or other instruments. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the U.S. or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S., and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers outside the United States than there is in the United States. Fund might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which, in some markets, could at times fail to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Fund's performance.

Derivatives Generally. Derivative instruments, or "derivatives," include options, futures, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, financial assets, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, financial asset, currency or index at a fraction of the cost of investing in the underlying asset. The Fund may seek to acquire derivatives for these or other reasons, however, there is no assurance that derivatives that the Fund wishes to acquire will be available at any particular times upon satisfactory terms or at all.

The value of a derivative is frequently difficult to determine and depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested. Over-the-counter ("**OTC**") derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The OTC market for derivatives is relatively illiquid. In the case of OTC derivatives contracts, the Fund is subject to the credit risk of the counterparty.

The Fund 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 the Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Fund.

Currency Hedging. The Fund may invest in securities and other instruments denominated or quoted in currencies other than the U.S. Dollar. In connection therewith, the Investment Manager may hedge against the resulting currency exposure wherever economically prudent. However, changes in currency exchange rates will affect the value of the Fund's portfolio and the unrealized appreciation or depreciation of investments. Additionally, such hedging transactions may include a credit component pursuant to which the Fund may be required to grant to its hedging counterparty a security interest in certain of its assets. Accordingly, in such a case, if the Fund defaults with respect to a currency hedging transaction, then the hedging counterparty could lay claim to an interest in such assets.

Further, the Fund may incur costs in connection with conversions between various currencies. Foreign 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 the Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. The Fund will conduct its currency exchange transactions on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market. The Fund may also take speculative positions in currencies, which will be subject to the same risks discussed above.

Exchange Traded Funds (“ETFs”). The Fund may trade in ETFs. ETFs are generally structured to invest in all or a representative sample of the securities that generally replicate the price and yield performance of an underlying market index or sector such as a broad stock market, industry sector, domestic or international equity or fixed income, or U.S. or foreign government bond. ETF shares are traded on stock exchanges and markets at open market prices that generally track the net asset value per share of the ETF. Direct issuances and redemption of ETF shares at the ETF’s net asset value per share only occur in large blocks (or creation units) transacted between the ETF and authorized institutional purchasers on an in-kind basis. An exchange traded sector fund may be adversely affected by the performance of that specific sector or group of industries on which it is based. International investments may involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, or economic and/or political instability in other nations and/or other factors. Although index-based ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, ETFs may not be able to replicate exactly the performance of the indices because of their expenses and other factors. ETF shares may trade at either a discount or premium to their underlying net asset value. The purchase or sale of ETF shares on the secondary market involves the payment of brokerage commissions, and the purchase and redemption of creation units involves other transaction costs and brokerage commissions. Investors in ETFs also directly bear the ETF’s costs associated with its payment of investment management fees and fees for administrative, custodial or other services and thus the Limited Partners will indirectly incur an additional layer of fees and expenses.

General Fund Risks

Business Dependent Upon Key Individual. The Investors will not have authority to make decisions or to exercise business discretion on behalf of the Fund. The authority for all such decisions is made by the General Partner or has been delegated to the Investment Manager. The success of the Fund, therefore, is expected to be significantly dependent upon the expertise and efforts of the Investment Manager and, more particularly, of Eli Samaha.

Side Letter Agreements. The Fund and the Investment Manager may enter into “side letter” agreements with certain Investors pursuant to which they may provide such Investors with preferential terms with respect to their investment in the Fund, including, without limitation, with respect to Management Fees, performance-based allocation, withdrawal terms (including the frequency of withdrawals and/or required notice periods) and/or transparency (including portfolio transparency). As a result of the terms provided in such side letter agreements, certain Investors may be better able to assess the prospects and performance of the Fund than other Investors, and may be able to withdrawal from their Capital Accounts at times when other Investors may not. Subject to applicable law and contractual requirements, the Fund and the Investment Manager do not intend to disclose the terms of such side letter agreements and do not intend to disclose the identities of the Investors that have entered into such agreements.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

As described above in Item 4, the General Partner, an affiliate of the Firm, is the general partner to the Onshore Fund and the Master Fund.

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

Code of Ethics

Madison has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must conduct all personal securities transactions consistently with the Code of Ethics’ Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees and their spouses, immediate family members, other dependents and controlled entities are not permitted to maintain personal brokerage accounts for the purpose of trading single name securities, including; equity securities, options on equities, publicly-traded bonds or other fixed income or debt investments (including derivatives), futures or commodities, except for the purpose of holding or liquidating any such holdings after the commencement of employment at Madison. Employees are not required to obtain the CCO’s pre-approval to trade ETFs and ETNs, but transactions will be monitored on a quarterly basis. Employees and Covered Accounts are permitted to liquidate positions held at the time of subject to pre-clearance by the CCO. Employees are prohibited from participating in Initial Public Offerings (“IPOs”). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm’s Restricted List.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; (ii) liquidating single name securities; or (iii) making any private investments.

Our Code of Ethics is available for review to our Investors, or any prospective investor, at our office upon request.

Participation or Interest in Client Transactions

An Adviser with multiple client accounts may sell a security for one client while it buys the same security for another client. This may occur for several reasons, most typically in connection with rebalancing across client accounts. At present, Madison has a single comingled account. In the future, should Madison advise multiple accounts, at times Madison may effect the purchase and sale of a security directly between the relevant Clients (an “**Internal Cross-Trade**”). Effecting Internal Cross-Trades between clients (when a third-party broker is used) is not specifically addressed in the Advisers Act, but is subject to the Anti-Fraud Provision. Internal Cross-Trades involve potential conflicts of interest because the investment adviser may favor one Client over another.

It is possible that at a later date the Firm may advise multiple Client accounts. Therefore, the Firm has adopted the following policy and procedures regarding Internal Cross Trades.

Pursuant to its “**Internal Cross-Trades Policy**,” the Firm may engage in Internal Cross-Trades. In the event of an Internal Cross-Trade, Madison will: (i) determine that the transaction is in the best interests of each Client involved; (ii) arrange the transaction for no additional compensation; and (iii) arrange for the trade to be transacted at the current independent market price or, in the case of a rebalancing transaction, as of the close of the market on the day of the trade. Employees must consult with the CCO with respect to any Internal Cross-Trades.

Item 12: Brokerage Practices

Madison is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate “execution only” commission rates; therefore, the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We shall also have the authority to select and appoint custodians of the assets of the Funds. The Firm’s authority is limited by its own internal policies and procedures and each Fund’s investment guidelines.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain “**Best Execution**,” meaning generally the execution of a securities transaction for a client in such a manner that a client’s total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers’ full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollars

The Firm uses “**Soft Dollars**”. In such cases, Soft Dollar credits, generated by the Fund’s trading activities, would be used to purchase brokerage and research services or products that would otherwise have been a Firm expense. Research services may include, but are not limited to, research reports (including market research); certain financial and economic newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); software and other products that depend on market information to generate research; software that provides analysis of securities portfolios’ pre-trade and post trade analytics; advice from brokers on order execution; and certain proxy services. Brokerage services may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and between a broker-dealer and other relevant parties such as custodians and administrators); trading software operated by a broker-dealer to route orders; software that provides algorithmic trading strategies; message services used to transmit orders; software used to transmit or route orders; short-term custody relating to effecting particular transactions in relation to clearance and settlement of trades; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; other exchanges of messages among trade parties; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

In fiscal year 2019, the Firm received \$79,140 of credits in Soft Dollars.

We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act. We will use soft dollars in a manner that is consistent with our duty to seek best execution, and any requirements or limitations concerning our soft dollar usage that may be contained in our written agreements with Clients.

Neither Madison nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, we may consider, among other things, capital introduction and marketing assistance with respect to Investors in the Funds in selecting or recommending broker-dealers for the Funds.

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a Client. Any research, services or property provided by a broker may benefit any Client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

Trade Errors

Madison’s “**Trade Error Policy**” provides that Madison will seek to correct any Trade Error as soon as possible following discovery of the Trade Error in accordance with the principles and

procedures described below. Madison will seek to detect such errors prior to settlement and promptly correct and/or mitigate them.

A Trade Error may not be resolved by reallocating the trade to another Client. Soft Dollar “credits,” if any, may not be used to pay for correcting Trade Errors.

Item 13: Review of Accounts

Our Portfolio Manager and investment professionals generally on a daily basis monitor and analyze the transactions, positions, and investment levels of the Fund to confirm that they conform with the investment objectives and guidelines that are stated in the Fund’s Offering Documents. In these reviews, the Firm pays particular attention to any changes in the investment’s fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We will distribute an audited financial report with respect to the previous fiscal year to all Investors (within 120 days or as soon as is practicable after the end of each fiscal year). We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

We will be deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by qualified custodians to Madison.

We intend to comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) (i.e., the “custody rule”) by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund’s annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund’s audited financials to Investors within 120 days or as soon as is practicable after the end of such Fund’s fiscal year.

Item 16: Investment Discretion

Pursuant to the Offering Documents, we will have full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the “proxy voting rule”), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”) in a prudent and diligent manner that will serve the applicable Client’s best interests and is in line with the Client’s investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

We may determine to take no action or abstain on any vote.

Generally, Clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.